

The NATIONAL UNDERWRITER

Life Insurance Edition

How to prevent inflation in one easy lesson

9201
9



Put that money back in your pocket!

When a lot of people want the same thing, its price goes up.

Americans have more money today—much more—than there are things to buy with it.

So every big or little thing you buy—that you can possibly do without—cuts supplies and bids prices up on what is left.

Rising prices spell inflation. And every inflation has been followed by a cruel and bitter depression . . . men out of work, homes lost, families suffering.

We don't want inflation: we don't want another depression.

4 THINGS TO DO to keep

prices down and
help avoid another depression

1. Don't buy a thing you can do without.
2. Never pay more than the ceiling price. Always give stamps for rationed goods.
3. Don't take advantage of war conditions to fight for more money for yourself or goods you sell.
4. Save. Buy and hold all the War Bonds you can afford—to help pay for the war and insure your future. Keep up your insurance.

HELP
US
KEEP

PRICES DOWN

A United States War message prepared by the War Advertising Council; approved by the Office of War Information; and contributed by this magazine in cooperation with the Magazine Publishers of America.

FRIDAY, JULY 6, 1945



"A thing of shreds and patches"

... Next time you ride the Midwest air routes, take note of the terrain ... Gone are the quarter-sections solid with corn. Farmsteads are mosaics of many small-area plantings, varied patches, pastures dotted with milk cows, acres widely assorted, often contour-plowed ...

And realize that below you a Revolution has been accomplished ... not in scorched earth, dispossession, lordly estates reduced to peasants' plots, or kulaks coerced into great collectives, but a gradual movement as momentous as the glaciers that gave this continent center its thick layer of rich topsoil, greatest natural wealth on all the globe! ...

You look down on Diversification

in the doing, dependence on many crops instead of one—farming that is a better balanced business, secure in several income sources, productive of more prevalent and permanent farm prosperity ... You see factory production per individual farm, new methods and machines replacing muscle and man-toil, new plants and products, new sciences and skills ... new progress and profits, pushing the levels of farm life to new points above the urban average ... making new, formidable markets for manufacturers.

Now note ... the biggest barns, the newest houses, sleekest stock, the best kept fields, the neatest lawns ... and realize again that you see some of SUCCESSFUL FARMING's more than a

million subscribers, best in these best farm states ... selected and served for forty years by this publication ... farmers with the largest investments in land and equipment, the highest brows, crop yields, cash prices, and largest income margins over expense. By every standard, these SF farmers are the prime insurance prospects in the whole country!

And wonder while you look down, if any insurance advertiser can afford to further ignore this major medium and the major market that it helped to make? ... The nearest SF office will answer your questions ... SUCCESSFUL FARMING, Des Moines, New York, Chicago, Atlanta, San Francisco, Los Angeles ...

Close Installment Group Case for Big Finance Company

Prudential-Commercial Credit Cover May Reach \$300 Million

An unusual development of group life insurance written on the lives of installment purchasers has been made available to the installment customers of Commercial Credit Co., Baltimore. This contract, with a return of peacetime conditions, is expected to become one of the largest group life policies ever written, and may involve as much as \$300 million of insurance.

The announcement was made in Newark by Franklin D'Olier, president of Prudential, and in Baltimore by A. E. Duncan, chairman of C.C.C. Prudential was represented in the negotiations by Alexander & Alexander of Baltimore, nationally operating brokers.

Under the terms of the contract, C.C.C. will make available insurance on the lives of its installment consumer customers who purchase automobiles, refrigerators, washing machines, radios, and other consumer goods on the time sales plan, exclusive of FHA transactions. C.C.C. is the first finance company to use this form of insurance on a national basis.

The plan makes available life insurance immediately upon the purchase of goods on the installment basis. If the purchaser dies, the remaining unpaid balance owing is automatically cancelled and the property will belong to the purchaser's estate.

Automatic Provision

The life insurance feature applies to all installment purchases financed by C.C.C. except those guaranteed by the FHA. This helps keep down the cost of operations because for the great bulk of installment purchases the insurance is automatically provided without the customer having to make a decision and without anyone having to note whether insurance is desired or not and collect a premium for it, or fill out a different form. The insurance feature involves no variation from the standard procedure.

Another important effect from the insurer's point of view is that covering everybody eliminates the possibility of selection against the company. Theoretically the poorer life insurance risks might tend to gravitate to a finance company which insures its borrowers while those in better average health tended to deal with organizations without the insurance feature. As a practical matter, however, there seems to be no danger of this. The financing charge is a relatively small element in the cost of an installment purchase and seems even smaller than it is by reason of the payments being spread out. Moreover, the insurance cost is a very small part of the finance charge so that it is a negligible element in the total selling price.

Anti-Selection Possibility

Another anti-selection possibility that is believed to be more theoretical than actual is that an extra-shrewd buyer would put through the purchase of an automobile, for example, in the name of an aged and infirm great-aunt, on the chance that she might very likely

Business Life Insurance Tax Problem Clarified

Life insurance people are pleased with Treasury Decision 5459, just released, which appears to clear up uncertainties as to income tax liability arising out of the use of proceeds of life insurance policies on the life of a deceased partner to purchase the interest of the estate or beneficiaries in the partnership, according to an announcement sent to its membership by the National Association of Life Underwriters. N.A.L.U. had sought clarification of the ruling contained in a letter written Nov. 10, 1944, by J. J. O'Connell, general counsel of the Treasury, in which he interpreted section 126 of the internal revenue code to mean that the difference between the purchase (or cost) and selling price of a partnership interest should be considered to be capital gain in making the income tax return.

N. A. L. U. Interpretation

N.A.L.U., through its Washington counsel, has maintained that section 126 and related amendments were intended to mitigate the harshness of the ruling established by the Supreme Court decision in the Enright case, and that it should not be interpreted to change the basic definition of gross income and distort the application of provisions relating to "basis" established by section 112 of the code. The O'Connell letter has greatly disturbed thousands of stockholders and partners who had adopted purchase and partnership agreements and also greatly concerned the agents who had sold insurance to effectuate such agreements.

T.D. 5459 appears to meet and dispose of the problem created by the interpretation contained in the O'Connell letter. It does so specifically in situations involving the sale of partnership interest and N.A.L.U. has received assurance that it also covers situations involving a decedent's agreement of sale relating to corporate stock.

The text of the decision is:

Section 29.126-1 of Regulations III (Part 29, Title 26, Code of Federal Regulations, Cum. Sup.), as amended by Treasury Decision 5389, approved July

die before the installment payments were completed, leaving the car in the real purchaser's hands with no more payments to make.

The protection against this sort of thing is mainly that finance companies are thinking about getting their money back and check pretty carefully the ability of the buyer to make the payments he is undertaking. Thus, the speculative type of buyer trying to cash in on the insurance angle would not only have to have a moribund stooge but one with sufficient income from property or earning power to be a good financial risk.

Prudential pioneered the use of group coverage on personal loans issued by banks. This was done in 1928 for National City Bank of New York. The bank wanted an arrangement so that the co-maker would not be called on to pay the loan in the event of default by reason of the borrower's death. The plan is widely used by banks and other personal finance institutions.

A factor that tends to minimize anti-selection with either installment purchases or personal loans is the fact that the amount at risk is constantly lessened as the balance is paid off. The sickly borrower would not only have to die during the installment payment period but very close to its inception in order to have any large percentage of the purchase price wiped out by the life insurance.

Repossessions are a distasteful fea-

ture of installment financing and group coverage eliminates those caused by death, reducing the very favorable default record on this class of business still further.

10, 1944, is further amended as follows:

(A) By striking the last sentence of the first paragraph.

(B) By striking the fifth sentence of the fourth paragraph, which reads as follows:

Upon his death, the payments by the surviving partners must be included in the widow's income to the extent they exceed the adjusted basis of such assets in the hands of the decedent immediately prior to his death.

and by inserting in lieu thereof the following:

Upon his death, the payments by the surviving partners must be included in the widow's income to the extent they are attributable to the earnings of the partnership accrued only by reason of his death.

(C) By striking at the beginning of the sixth sentence of the fourth paragraph the words "This gain" and by inserting in lieu thereof the following:

The income reflected by the payments to the extent they are so attributable

(D) By striking at the end of the fourth paragraph the words "represent the gain on the sale," and by inserting in lieu thereof the following:

are attributable to the earnings of the partnership accrued only by reason of the death.

(E) By inserting immediately after the fourth paragraph the following:

Example. Suppose that A and the decedent B were equal partners in a business possessed of tangible assets having a present value considerably in excess of cost; suppose that certain current partnership business was well advanced toward completion prior to the death of B; and suppose that the partnership agreement provided that, upon the death of one of the partners, all partnership assets, including unfinished business, should pass to the surviving partner, and that the surviving partner should make certain payments to the estate of the decedent.

To the extent that the payments by A to the estate of B are attributable to B's interest in the previously earned proportion of the unfinished partnership business transactions, their receipt by the estate of B will reflect the realization of income. With respect to such portion of the payments by A as is attributable to B's interest in the tangible assets of the partnership which had appreciated in value, no gain to the estate of B will be recognized. If some portion of the payments by A is attributable to a sale of B's interest in partnership assets consummated by B prior to his death, however, the gain to the estate of B reflected in such payments will be recognized regardless of the character of the assets sold, and regardless of whether or not payment was due on a day which must occur after B's death.

Casady in Executive Change of Mass. SBLI Council

C. S. Casady, executive secretary, has been elected executive vice-president of the Massachusetts Savings Bank Life Insurance Council. G. C. Francis, treasurer North Adams Savings Bank, was reelected president, and W. B. Snow, Jr., president Suffolk Savings Bank, Boston, reelected council vice-president, and S. L. Brown, treasurer, Cambridgeport Savings Bank, elected treasurer.

It was reported more than \$260,000,000 savings bank life insurance is in force, an increase of about \$12,000,000 since Oct. 31, 1944. A study is being made to determine the advisability of raising the limit of \$10,000 of new life insurance on any one person which was adopted Jan. 10.

Many Attend Purdue Seminar

About 50 representatives of life companies and farm mortgage lenders attended a one-week mortgage bankers seminar at Purdue University, sponsored by the Mortgage Bankers Association of America.

President Zacher of the Travelers Dies at Age of 67

Was an Outstanding Executive and Was Strong Administrator

L. Edmund Zacher, fourth president of Travelers, died suddenly at his home in West Hartford, Conn. He was 67 years old.

One of the nation's best known and most respected insurance officials, Mr. Zacher entered the employ of Travelers Oct. 10, 1904, as personal secretary to the then president, S. C. Dunham. In 1910 he was named assistant treasurer of Travelers and Travelers Indemnity. From 1912 to 1934 he served as treasurer. In 1915 he became a director of the two companies. In 1922 he became vice-president and treasurer. Two years later he became secretary of Travelers Fire. In 1929 he was elected to the presidency of all the companies.

Native of Hartford

Mr. Zacher was born in Hartford June 18, 1878. He was graduated from Hartford high school in 1895. From high school, he went directly into business. At first connected with the Charter Oak National Bank, he subsequently became associated with the Farmers & Mechanics Bank.

When, in 1904, he joined Travelers, it consisted of a single corporation. Mr. Zacher was one of the officers instrumental in creating Travelers Indemnity in 1907, Travelers Fire in 1924 and Charter Oak Fire in 1935.

Mr. Zacher had held directorships in the Guaranteed Trust Company of New York, the Connecticut River Banking Company, the Society for Savings and the Standard Screw Company, all of Hartford, and had served on the advisory committee of the metropolitan branch of the Chase National Bank of New York. For several years he was a member of the executive committee of the association of Life Insurance Presidents. He possessed an honorary degree of master of arts, conferred upon him in 1939 by Trinity College of Hartford.

Among civic activities, Mr. Zacher was named to represent the Hartford insurance industry with the War Manpower Commission. He also served on the committee representing non-industrial activities for this area. In addition, he was a member of the Connecticut victory manpower committee and of the finance committee of the state war council. Chairman of the advisory committee of the Hartford Red Cross war fund for several years, Mr. Zacher was named by the late Norman Davis to serve in 1944 on the national war fund advisory committee of the Red Cross.

Offices Were Closed

The home office and branches in the United States and Canada were closed Saturday because of Mr. Zacher's death.

Mr. Zacher leaves his wife, Mrs. Margaret Butler Zacher, whom he married after the death of his first wife, the former Marie McLean. He leaves also a son, Edmund Zacher, a lieutenant in the navy on duty in the Pacific, and a daughter, Mrs. Frank A. Vanderlip of West Hartford. Funeral services, which were private, were held in West Hartford.

Costigan Head of National A. & H. Association

Mueller Managing Director, Temporary Executive Secretary

NEW OFFICERS ELECTED

President—Robert J. Costigan, Business Men's Assurance, Kansas City.
First Vice-president—R. B. Smith, Great Northern Life, Oklahoma City.
Second Vice-president—Gilbert H. Knight, Federal Life & Casualty, Cleveland.
Members of executive board—Emerson Davis, Inter-Ocean Casualty, Dallas; Walter C. Castil, Connecticut General Life, Los Angeles; D. Stuart Walker, Mutual Benefit Health & Accident, Philadelphia; E. C. Schuchhardt, Metropolitan Casualty, Baltimore.

Decision to set up immediately a headquarters office, which can coordinate, supervise and expand the varied activities of the National Association of Accident & Health Underwriters featured the abbreviated business meeting held Friday at the Edgewater Beach Hotel, Chicago. E. H. Mueller, who as chairman of the planning committee has been primarily responsible for bringing about a better financial setup for the association which has made the new arrangement possible, was persuaded to take charge of it temporarily until a permanent executive secretary can be secured. He was named as managing director, with which will be combined temporarily the duties of executive secretary and treasurer. He will establish an office at once at Madison, Wis.

Mr. Mueller reported that five-year pledges for more than \$9,000 have been received and more than \$7,500 in cash or checks for the first-year payments under those pledges. The campaign will be continued until a total of at least \$10,000 in pledges is obtained.

Mr. Mueller has been in the accident and health field 31 years and has been very successful as an agency manager. For several years he has been operating a dual agency, representing Pacific Mutual Life and Provident Life & Accident, with offices in both Milwaukee and Madison. He is a former president of the National association.

New President Is Live Wire

Clarence A. Sholl, Globe Casualty, Columbus, is succeeded as president by Robert J. Costigan of Kansas City, first vice-president the past year, who is Missouri manager of Business Men's Assurance. He joined that company in 1926 and has always been a leading personal producer, as well as developing into one of its most outstanding managers. Just five years after starting out with a rate book he was made manager for Kansas City and the next year became manager for the entire state of Missouri.

He is a man of dynamic personality and has been in great demand as a speaker. He scorns a prepared address but always has something to say that is well worth while. He has served twice as vice-president of the leading personal producers club of B. M. A. and one year as president of the Renewal Club.

The new vice-presidents, R. B. Smith and G. H. Knight, both have been active in association work for many years and round out a strong official family. Both are former chairmen of the Leading Producers Round Table, Mr. Smith

Hat in Ring



JACK HILMES

DES MOINES—Jack Hilmes, with Equitable Life of Iowa at Des Moines 24 years, who is a candidate for trustee of the National Association of Life Underwriters, has received the endorsement of the Des Moines Life Underwriters Association and Iowa Association of Life Underwriters.

Mr. Hilmes has qualified for membership in the company's top production club every year; he was the first man to receive his company's "Hall of Honor" award; he was a member of the Million Dollar Round Table in 1935 and 1936; he is a past president of both the Des Moines and the Iowa associations.

He is a member of the national by-laws committee and is Iowa state chairman national war savings.

Campaign manager for Mr. Hilmes is Clifford DePuy, publisher of the "Underwriters Review" of Des Moines.

having served in that capacity the past year.

Stumpf Heads Round Table

At the annual meeting of the Leading Producers Round Table, Charles B. Stumpf, Illinois Mutual Casualty, Madison, Wis., secretary the past year, was elected chairman to succeed R. B. Smith, Great Northern Life, Oklahoma City. Martin L. Seltzer, General Accident, Des Moines, was named vice-chairman and Ray Hawkins, Mutual Benefit Health & Accident, St. Louis, secretary.

Mr. Stumpf has taken a very active part in promoting the Round Table for a number of years and given much of the credit for the growth which it has registered the past year. He reported that the total membership is now 263 as against 228 a year ago.

If regular conventions can be held next year, the winter meeting in January will be held in Wichita and the annual meeting in Denver, which was originally selected as this year's convention city. In case it is necessary to curtail the winter meeting, W. H. Eyre, Illinois Mutual Casualty, president of the Peoria association, extended an invitation from his city and promised that the association would arrange a sales congress at that time.

The President's Trophy, for all-around accomplishments by a local association, was awarded by the executive board to Cleveland. It will be a plaque suitably inscribed.

Committee Reports

Only the reports of the membership, law and legislation, public relations and planning committees were presented by their chairmen in person. Most of the others were sent in and were read by various officers and board members. An

(CONTINUED ON PAGE 20)

Treasury's Booklet on Pension Plans Is Analyzed

Ralph Booth, statistician for Travelers at Chicago, who studied the new Treasury Department booklet, "Contributions Under Pension and Annuity Plans," at the request of THE NATIONAL UNDERWRITER, set down the following observations on this publication:

In order to help employers and others to determine the approximate tax status of newly designed or revised industrial retirement plans the internal revenue department has issued a bulletin containing "information from which taxpayers and their counsel may obtain the best available indication of the trend of official opinion in the administration of the provisions of section 23 (p) (1) (A) and (B) of the internal revenue code, as amended by the revenue act of 1942, relating to deductions for contributions of an employer under pension and annuity plans in taxable years beginning after Dec. 31, 1941. It does not have the force and effect of a Treasury decision and does not commit the department to any interpretation of the law which has not been formally approved and promulgated by the Secretary of the Treasury."

Several methods of financing self insured as well as insured retirement plans are discussed. Of interest to underwriters are the insured plans which seem to fall under two general classes, as follows:

Individual Funding Method

I. Individual funding to normal retirement age cost method.

The majority of pension plans involving the use of individual insurance or annuity contracts and group permanent contracts fall in this category. In some cases level premium annuity contracts would be included also. Under this method the cost of pension credits applicable to past service, together with the cost of estimated future service credits are combined in the level annual premium, that is, no separation is made in the contracts between past service cost and future service cost. The method is referred to in section 23 (p) (1) (A) (ii) of the code and is acceptable if it satisfies one of the three tests set forth and clearly illustrated in the bulletin. These tests are applied to determine whether funding takes place too rapidly as in cases top-heavy with eligible high salaried employees within 10 years of normal retirement age.

II. Unit credit cost method.

This is also called the single premium method. Practically all group annuity contracts may be so classified. Under these blanket group annuity contracts a definite allocation of the cost of past service credits is made and is expressed as the sum of the individual single premiums for all employees having past service credit at the inception of the retirement plan. Future service credits are financed each year as earned by a series of single premium purchases. This is the situation referred to in section 23 (p) (1) (A) (iii) of the code under which not more than 10% of the initial past service liability may be used as an expense deduction in any one year.

Tabular Data Instructions

The Bulletin contains instructions as to furnishing the department with tabular data on the basis of which the degree of compliance with the regulations can be checked.

Cost factors and assumptions as to mortality, investment, retirements, expenses of operations, turn-over, retirement ages and changes in rate of employee's compensation are discussed from the viewpoint of the department with respect to the limits within which such assumptions may be made, particularly with reference to self insured plans.

Adjustments upward or downward resulting from variations in the ratio

Ill. Insurance Legislation Record

The Illinois legislature, which adjourned early Sunday morning, acted upon insurance measures very much as was predicted in last week's edition.

The measure passed to create an interim commission to investigate what state legislation if any is desirable in the realm of rate regulation, taxes, etc., in the light of the S.E.U.A. decision.

The bill which was sponsored by the Illinois Medical Society, passed. This enables the creation of medical service plan corporations. It is provided that such a corporation shall be organized by at least seven residents, the majority of whom are to be doctors. The administration of the act is placed in the insurance department and the rates must be approved by the insurance director.

The bill to make more stringent the regulations governing burial societies was enacted but in the final hours it was called back on reconsideration and killed. The insurance department had sponsored the changes proposed in the bill after an earlier measure was introduced that would have made insolvent all but one or two burial societies. Some strenuous work was put in by the burial society people that opposed the insurance department's program.

Also defeated was a bill that was on passage stage during the closing hours, to permit group life insurance to be written for members of trade associations.

The bill was passed providing that the bond required to be filed by officers of a mutual benefit association entrusted with the custody of its funds, shall be exclusive of such amount as the association may maintain on deposit with the insurance director but in no event a bond in penalty of less than \$1,000.

The measure was enacted permitting domestic insurers to invest in bonds or notes secured by mortgage or trust deed guaranteed as to principal under the G.I. bill. This measure also removes the limit of 10% of any one bond issue in which an insurer may invest. However the other limitation, that is of 2% of assets is retained in the law.

Passed earlier in the session and signed by the governor was the bill to permit domestic companies to make direct investments in community housing projects, etc. Another bill that was signed some time ago permits fraternalists to postpone their meetings to comply with travel restrictions.

Set N. C. Department Salaries

RALEIGH, N. C.—The North Carolina state advisory budget commission has set salary ranges for new posts created in the insurance department by the 1945 legislature.

The range for a casualty actuary was set at from \$4,200 to \$5,100, for an investment analyst \$2,400 to \$3,000 and field representative \$2,100 to \$2,700. The maximum salary range of the present life actuary was raised from \$4,800 to \$6,000.

of actual experience under each plan to expected experience are demonstrated, together with advice as to how the gains or losses resulting therefrom would be used to change the allowable deductions from year to year.

The tables and illustrations contained in the bulletin are worth giving careful study and furnish working patterns for computations under various cost methods which will be of great assistance in determining in advance the probable action of the department in passing on any particular case.

For handy cross reference purposes a recent Commerce Clearing House booklet has incorporated, with a reprint of the department bulletin, supplements containing code section 23 (p) as amended by the 1942 act and the Treasury regulations thereunder, as well as a carefully prepared index.

Corporate Offerings for July at Peak; Exceed a Billion

Expect Life Companies to Get More Than 60% —Bulk Is Refunding

NEW YORK—Considerably more than a billion dollars of corporate financing is scheduled for this month. It is anticipated that life companies will take at least 60% of it, probably considerably more, as the commercial banks generally stick to the shorter-term financing, five years or less.

Much of the July flood of offerings will be refinancing, unfortunately for the life companies, which will be losing investments that paid a higher rate of interest than those they will get. It will mean losing securities that have been paying 3.10% to 3.25% and getting others paying 2.65% to 2.90%.

Never before has such a huge volume of corporate financing been scheduled for such a short space of time. About \$700 million of the total offerings scheduled for July are bonds. Preferred stock will amount to about \$250 million, with common stock in the neighborhood of \$100 million. There is an increasing tendency of corporations to prefer preferred stock to bonds for their financing, as the preferred stock doesn't give the investor a mortgage against the property. If hard times should come there is no need to go through bankruptcy or reorganization, as there would be if the company were unable to meet its bond interest.

Life companies appear to be regarding preferred stocks with increasing favor. The fact that a corporation can get through a slack period if there are no bonds to default has some advantages for the investor. While the bondholder has the right to move in and take over the property on default, there are frequently long drawn out complexities and frequently the borrowing corporation loses much of its value as a going concern. The New York law limits life companies to holding 10% of the preferred stock of a corporation.

Some investment men would like to see other states adopt the Connecticut law's provision that a life company can invest up to 5% of its admitted assets in anything it chooses. They believe that with this complete latitude they could earn enough on this limited segment of the portfolio to help materially in offsetting the continuing low interest levels on the types of securities that are generally permissible for life companies.

Competitive bidding will feature the summer financing but it seems unlikely that many life companies will go into the market as bidders, as some have done in the past. Some investment officials feel that the economies of direct bidding are worth while but most of them prefer to let the financial middlemen function as usual.

"We need the 'street' and the 'street' needs us," one securities buyer observed. "If we bid direct, there's a lot of stuff the dealers dig up that they wouldn't show us. It's a question whether it saves money."

Life companies securities buyers are extremely rushed these days. The state of the market can be judged by the fact that seven new issues were scheduled for Monday and Tuesday of this week. Much of the huge size of the financing scheduled for this month is due to holding up financing that would have taken place in June. This was done because of the seventh war loan.

N. Y. Anti-Bias Law Now in Force; Open Offices in 3 Cities

NEW YORK—New York's anti-bias law went into effect Monday and on that day offices for the handling of complaints opened in New York City, Albany and Buffalo. Henry C. Turner, chairman of the state commission against discrimination, which the law sets up, said that its five members are determined to enforce the law, which "establishes the simple principle that in business and industrial employment there shall be no discrimination on grounds of race, creed, color, or national origin—that every citizen of our state has a right to earn his bread through gainful employment without discrimination or prejudice."

Impartial Forum

"If business or industrial employment is denied to any person and it can be clearly established that a person was rejected purely on the grounds of prejudice and not because of incompetence or failure to meet specific requirements, he will be able through the commission to receive an impartial hearing and to work out his problem by the orderly process of a civilized society," Mr. Turner said. "The commission will be an impartial forum for employers and employees alike. It will consider individual cases on their merits and make its findings accordingly."

The Ives-Quinn anti-bias bill, passed at the 1945 legislative session, was opposed by organizations of employers, including insurance companies, on the ground that it would make conditions worse instead of better and would place employers at the mercy of trouble-makers among their employees.

Detroit Insurance Benefit Scheme Ruled Illegal

LANSING, MICH.—The Michigan attorney-general has ruled that a plan of the city of Detroit to provide death benefit insurance for its employees and retired employees exceeds the municipality's charter powers.

H. B. Corell, deputy commissioner, asked primarily for a ruling on whether the city would become an insurer within the meaning of the statute, and hence subject to the statutory regulations governing domestic insurers and under the jurisdiction of the insurance department.

Attorney General Opinion

M. M. Moule, assistant attorney-general, said in the opinion that the present Detroit city charter authorizes a pension fund and a general retirement system and the home rule act has been amended to authorize charter provisions setting up "a system of compensation for employees and their dependents in the case of disability, injury or death of such employees." The Detroit plan, however, would permit the employee to designate his beneficiary and this exceeds the powers granted cities under the statute. The program had been approved by the Detroit common council and provision for its operation was included in the new budget, effective July 1.

N. W. Mutual Buys \$100 Million

Northwestern Mutual Life has subscribed for \$100 million of 2½% treasury bonds in the 7th war loan, its largest single purchase in any of the loan campaigns, bringing its total of government bonds well over the \$500 million mark. Members of the home office staff have gone over their quota by 13% in individual E bond purchases.

Legislative Results in Wisconsin Are Analyzed

MILWAUKEE—A final report on the insurance legislation introduced during the 1945 session of the Wisconsin legislature, which recessed June 19, and the disposition of such bills as of July 1, is being prepared by Irving P. Mehigan, legislative counsel of the Insurance Federation of Wisconsin. He also represents the Association of Casualty & Surety Executive at the legislature.

All insurance bills that have passed both the assembly and the senate will be signed by Gov. Goodland, in the opinion of Mr. Mehigan. The legislature recessed until Sept. 5, when it will reconvene to act on any vetoes of the governor. Present indications point to the introduction of no new bills when the legislature reconvenes, but this can be changed at that time.

Accident and health insurance companies are authorized to write franchise group insurance, defined as insurance covering three or more employees of a governmental unit, corporation, employer or labor union, where premiums on individual policies are paid by employer or association under a bill signed by Governor Goodland.

Group life, accident and health insurance may be written to cover officers, manager and employees of the policyholder and of affiliated corporations and proprietors, partners and employees of affiliated firms under a new law.

Also signed is a bill, reducing the number of employees for whom group accident and health insurance may be written, from 25 to 10.

A new law provides that insurance advisers serving those not engaged in the insurance business for compensation, shall not receive directly or indirectly any part of commission or compensation by any insurer or agent in connection with the sale or writing of any insurance involved in such service. Violation carries a penalty of \$50 to \$500, or 30 to 90 days imprisonment, or both.

Yerkes Quits United Pacific to Become Wash. Deputy

William D. Yerkes has resigned as assistant secretary of United Pacific at Seattle and has been named deputy insurance commissioner of Washington. His headquarters will be in Olympia and he will be in charge of the rate filing division, taking over duties formerly handled by C. E. Fullerton, who resigned several months ago to manage a medical service bureau covering several counties in southeastern Washington.

Mr. Yerkes is a native of Seattle and graduate of University of Washington. He served in the air corps during the first world war and later for many years was associated with Dillon, Read Co. at New York under James Forestall, now Secretary of the Navy.

In 1940 Mr. Yerkes returned to Seattle and went with United Pacific. He opened the service office at Eugene and for a time was manager. Later he was made unit manager at Seattle, in charge of Washington, Oregon, Utah and Idaho. He opened a branch at Salt Lake City and for the last two years has been in charge of the King and Kitsap county unit at Seattle.

Install New Okla. Officers

The Oklahoma C. L. U. chapter at a luncheon meeting installed the new officers: Charles R. Warren, Massachusetts Mutual, president; Lee White, Mutual Life, vice-president; George Bond, Northwestern Mutual, secretary-treasurer.

Interesting points in social security were discussed by Joe McCain, manager of the local office. It was announced that six applicants had taken the C. L. U. examination earlier in the month.

The Re-employment Flag

It is hoped that many insurance companies in America will adopt and fly the new re-employment service flag. It is the familiar service flag with an addition. There is a blue star carrying (below the star) the number of employees (and underwriters) in the service of our country, a gold star with the number of those who have given their lives, and now the honorable discharge insignia giving the number of the re-employed.

President John A. Stevenson said, at the Penn Mutual's flag-raising ceremony: "This re-employment flag is the symbol of a pledge kept. The Penn Mutual employees at home bridged the gap so that the jobs of these men would be waiting for them when they returned. Our debts to these servicemen can never be fully liquidated. We must all shoulder our share of the stupendous responsibility of providing jobs for them and aiding them in their readjustment to civilian life. All people—returned veterans and others—will emerge from this war with a greater urge toward economic and moral security than ever before. They will demand the right for individual opportunity, bread-and-butter of earnings and free enterprise."

* * *

THE PENN MUTUAL LIFE INSURANCE CO.

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

...from an
agent's angle

Continental is an agent's
way of spelling cooperation
... sympathetic cooperation ...
the kind that builds an agent's
business. It is effective because
it is based upon an under-
standing of an agent's prob-
lems ... from an agent's angle
... gained thru the workaday
field activities of our entire
executive organization. Perhaps
we can help you go after results
and get them!

One of America's Largest, Strongest
Life Insurance Institutions

Continental
ASSURANCE COMPANY
CHICAGO, ILLINOIS

Affiliates:

CONTINENTAL CASUALTY COMPANY
TRANSPORTATION INSURANCE COMPANY

Approves Life of Va. Action in Strike

LANSING, MICH.—The Michigan attorney-general has ruled that Life of Virginia did not violate the anti-rebate law by offering to pay postage and money order fees for assured who sent in premiums by mail during a strike of its industrial agents in Detroit. The opinion, which had been requested by Commissioner Forbes, distinguished the present case from an older ruling that offering a 10% reduction to assured who paid premiums at the company's offices was illegal. The present situation, the opinion points out, was a temporary measure to meet an emergency and involved no discrimination, since the assured would pay the same amount as though an agent had collected it.

The company's letter to policyholders, which the commissioner quoted, declared that "because of conditions beyond the control of the company, we are temporarily unable to send an agent to collect your premiums. ... Accordingly, we urge you either to mail or bring your premiums to the company. ... If payment is made by mail, use the enclosed envelope and subtract from the premium due (1) the cost of postage, and (2) the cost of a money order, if used."

Forbes Boosts Grand Rapids for N.A.I.C. Winter Meeting

LANSING, MICH.—Commissioner Forbes of Michigan department has invited the National Association of Insurance Commissioners to hold its December meeting in Grand Rapids, his home city.

This meeting normally has been held in New York but Superintendent Dineen of that state, after scouting the situation in the metropolis, has reported that accommodations would not be available and it will be necessary to hold the conference elsewhere. Thompson of Oregon, chairman of the association's executive committee, accordingly wrote other committee members, soliciting suggestions. All the Michigan companies have approved Mr. Forbes' proposal.

Grand Rapids has exceptional convention facilities because of its position in the furniture field, staging markets for furniture buyers there several times a year. The city has three large, modern hotels, the Pantlind, Morton and Rowe, the first-named being linked with the civic auditorium, where convention sessions of almost any size can be accommodated.

Morrell to Continental in A. & H. Special Risk Field

L. C. Morrell, head of the individual and group accident and health department of Marsh & McLennan's Chicago office for 12 years, is resigning to go with Continental Casualty in about a month as superintendent of agents of a new special risk division which has just been formed in the accident and health department. His duties will be to handle risks which heretofore have been going to the foreign markets because of inability to place them in this country.

Al Smith, who has been Mr. Morrell's assistant for some time, will take over the individual A. & H. business and Dana A. Wilson, who has been doing group work there, will handle the group business.

Mr. Morrell after graduation from University of Southern California in 1924 started in insurance with the Rule & Son general agency at Los Angeles and two years later went to Chicago with Fred S. James & Co. in the casualty end. After a year he joined W. A. Alexander & Co. as agent and later went with Starkweather & Shepley, heading the life department for three years. When the depression came Mr. Morrell went to California and applied to Marsh & Mc-

1944 Life Insurance Results for Idaho

Figures are ordinary unless designated (G) for group or (I) for industrial.

	New Business	In Force
	\$	\$
Aetna Life	198,544	3,182,498
..... (G)	274,000	1,035,000
American National....	504,644	2,650,930
Bankers Life, Ia.....	1,678,058	13,782,723
Beneficial Life	2,842,526	21,141,112
Business Men's Assur.	753,239	3,220,792
Cal.-Western States....	45,700	2,752,662
Capitol Life	358,452	1,616,820
Central Life, Ia.....	18,930	975,641
Columbian National....	325,414	3,031,149
Equitable Society.....	2,289,753	20,627,100
..... (G)	6,902,210	21,679,451
Great Northwest Life	448,573	1,380,689
Guarantee Mutual	110,225	2,069,872
Jefferson Stand. Life..	131,102	165,684
John Hancock Mutual	88,615	324,725
..... (I)	44,190	118,119
Kansas City Life.....	207,264	3,197,679
Lincoln National Life	814,993	3,028,519
Loyal Protective.....	7	33,014
Mass. Protective.....	22,500	201,202
Metropolitan Life.....	2,424,075	18,526,782
..... (G)	2,520,300	5,414,100
..... (I)	923,508	9,499,037
Midland National.....	.....	142,958
Mutual Benefit Life....	129,917	3,340,628
Mutual Life	2,293,445	16,446,936
Natl. Public Service..	2,764,210	4,474,522
New York Life	2,382,630	27,019,619
New World Life.....	118,959	1,513,757
Northern Life	489,572	3,939,032
..... (G)	420,000	223,500
Northwestern Life....	229,000	356,500
Northwestern Mutual..	833,878	15,159,449
Northwestern Natl....	155,406	2,803,540
..... (G)	.....	28,500
Occidental Life, Cal..	1,115,682	11,728,761
..... (G)	.....	287,844
Ohio National Life....	185,782	3,376,739
Olympic National.....	.....	35,500
Oregon Mutual Life....	365,021	5,565,462
Pacific Mutual Life....	43,500	1,810,054
Pacific National Life..	765,402	4,732,047
Paul Revere Life.....	154,961	424,474
Penn Mutual Life.....	332,854	3,722,009
Phoenix Mutual Life...	67,333	286,292
Provident L. & A.....	4,000	11,024
..... (G)	.....	230,300
Prudential	321,514	6,697,020
..... (G)	502,533	1,853,107
..... (I)	2,982	888,465
Security L. & A.....	41,585	785,645
Security State Life....	1,115,500	2,445,000
Sun Life, Can.....	709,660	7,802,765
..... (G)	56,000	458,000
Sunset Life .....	.....	20,500
Travelers	66,100	1,071,575
..... (G)	31,080	146,580
Union Central Life....	1,134	1,210,119
United Benefit Life...	1,672,517	4,316,954
Washington National..	8,000	42,828
West Coast Life.....	33,148	1,165,375
Western Life.....	862,109	4,432,462
Total, Ordinary.....	30,523,433	238,789,139
Total, Group	10,706,123	31,361,382
Total, Industrial.....	970,680	10,505,621
Total, All Lines.....	42,200,236	280,656,142

No Successor to Scheufler; May Remain Until Jan. 1

JEFFERSON CITY, MO.—The official term of Superintendent of Insurance Edward L. Scheufler expired at midnight on June 30 but since Governor Donnelly has not named a successor, Mr. Scheufler, who is vice-president of the National Association of Insurance Commissioners, will continue to hold office. The Missouri senate has recessed and will not get down to serious business again until about Sept. 1. Since the senate technically is in session, Governor Donnelly cannot make a recess appointment until it adjourns sine die.

Governor Donnelly, who is a Democrat, apparently is satisfied with the manner in which Superintendent Scheufler, a Republican, has been conducting the affairs of the insurance department, and will take his time in selecting a Democrat to succeed him. In some insurance circles the belief has been expressed Mr. Scheufler may hold over until about Jan. 1.

Kolkmeier Ohio Chief Examiner

Joseph H. Kolkmeier has been appointed chief auditor and examiner of the Ohio department. He formerly was an examiner in the department, but more recently has been in company work.

Lennan for a post as life department manager. He was sent back to the Chicago office to complete the arrangement and found himself working in the life department there. Later he was placed in charge of the individual and group accident and health department.

PORTAGRAPH helps the agent give clients better service



APPLICATIONS ETC.
PHOTO-COPIES

DATA FOR AGENCIES

Life underwriters find recurring need to refer to original applications, supplemental aviation and occupational hazard forms in their work of building insurance estates and servicing policyholders. Where manual transcriptions of applications and other original forms have been made before forwarding to the home office, error or incompleteness may render the copies valueless.

Why not eliminate this lack of dependability and the delays occasioned in waiting for copies to be sent from the home office? With Portagraph, progressive agencies have a convenient, fast and low-cost method of making their own photo-copies. These copies are made right in the agency by any office worker in a matter of minutes. Agents then have at hand, to review at will, "picture perfect" data to aid them in selling or servicing their customers. They're assured that no misinformation will be conveyed to company or client.

Portagraph operates at a cost of only a few cents a print. It's the modern way to have available at all times the information necessary for effective approach of your client. You'll find it surprising, too, how much it lessens strain on depleted office staffs! Ask our nearest Branch Office for details.

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G-10 (illustrated)—size 9½" x 15" with electrical timing switch and dual sets of lights that assure uniformly fine reproductions. For use with roll paper or cut sheets. Like all other models, contains handy light-proof paper storage drawer.

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Will copy from single sheets or bound book.

G-11—20" x 24"—Contact photo-copies up to this size are quick, easy, inexpensive to reproduce on the G-11 Portagraph. Electrical timing switch is assurance of perfect results even in inexperienced hands. No dark room required.

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Action on WMD Bill This Year Is Unlikely

WASHINGTON—Observers here of the social security situation hardly expect Congress will do more than make up its mind during the current year whether to freeze the social security 1% tax for another year, due to the great breadth of the field represented by the Wagner-Murray-Dingell bill and other proposals, the scope of the social security study undertaken by the House ways and means committee group and the pressure of other matters for attention by that committee.

Meanwhile, social security board sources say that Prof. Ralph Blanchard's factual study of accident and health insurance, to show coverage, premiums, and other factors, may be published soon. It was authorized about two years ago, but Prof. Blanchard had manpower troubles in getting the qualified help he needed.

Hickey Leaves Ky. Department

Robert M. Hickey of the Kentucky insurance department has resigned to

become secretary-treasurer of Kentucky Hospital Service Association in Louisville. He has been with the department since 1933.

Most of Hartford Offices Now on 40-Hour Week

HARTFORD—Local insurance companies are almost unanimously reverting to a 40-hour, five-day week as the result of the easing of controls over working conditions here by the War Manpower Commission. Among those which have already announced definite schedules, many of which are already in operation, are National Fire, Connecticut Mutual, Hartford Steam Boiler, Aetna Fire, Phoenix Mutual, Phoenix Fire, Scottish Union & National, Hartford Fire and Hartford Accident. Travelers and Aetna Life will adopt a five-day schedule July 9.

Some of the companies, notably Aetna Life and the two Hartfords, qualified their announcements by saying that skeleton forces to handle urgent business would continue to be maintained in the Saturday morning overtime periods. For most Hartford insurance workers, however, the wartime schedule of from 41 to 44 hours a week is a thing of the past.

LIFE AGENCY CHANGES

Atlantic Life Names Lee Manager at Hagerstown

Atlantic Life has appointed David W. Lee as manager at Hagerstown, Md., with headquarters in the Second National Bank building.

For the past 11 years, he has been with Metropolitan Life at Baltimore, six

tional eight year as assistant manager of a Philadelphia agency. For the past two years he has been agency manager of Bankers Life of Iowa in Washington, D. C.

Mason District Manager

NEWARK—W. H. Masterson, agency manager for Equitable Society, has appointed Carl H. Mason as district manager for Union, Middlesex and Monmouth counties. Mr. Mason has been in the life insurance field for 16 years in New Jersey and New York City.

G. J. Simmons Returns from Navy

G. J. Simmons, retired from the navy, has been made agency supervisor of the Mississippi state office of United Benefit Life and the Mutual Benefit Health & Accident. He had become associated with the organization 15 years ago at Jackson, Miss. He was chief quartermaster in the navy.

Byron Holdren has been appointed manager at Tucson, Ariz. He graduated from Arizona State University. He joined the Cleveland branch as a salesman and later became agency supervisor, then assistant manager.

Howard W. Yearsley has been appointed manager of one of the two district offices of Metropolitan Life in Vancouver, B. C. He succeeds Walter G. Shore, who has retired.

Life Production Good in N. J. for First Half Year

NEWARK—General agents and managers report new life production for the first half year exceeded the same period last year and agree that if the trend continues this year will be one of the best in New Jersey history.

The J. H. Kay agency of Security Mutual Life here made a 400% gain in new paid life business. The Howard C. Lawrence agency of Lincoln National Life gained 126%.

Other agencies which made large gains are: Union Mutual Life, Fred R. Fast, manager, 92%; Penn Mutual, Harry O. Rasmussen, general agent, 65%; Pacific Mutual Life, Arthur Lewis, general agent, 108%; Massachusetts Mutual, Charles W. Mercer, general agent, 51%; Columbian National Life, William S. Vogel, general agent, 18%; Home Life, Lester Horton, general agent, 15%; National Life of Vermont, Fred S. Fern, general agent, 300%, including pension trusts.

Only a few agencies fell behind 1944 figures but the amount has been so small that general agents feel that before the close of the year the decrease will be made up.

The Kay agency's average paid for production per man for the first half year was \$150,000 and the 10 men participating produced \$1,500,000.

Brazilian Expert in U. S.

Rodrigo de Andrade Medeiros, technical director of the Reinsurance Institute of Brazil, Rio Janeiro, spent several days in Des Moines while on a tour studying the insurance field in this country. While in Des Moines he toured the Bankers Life building, one of the outstanding insurance structures.

Bullock Promoted by Mutual Life

R. S. Bullock has been appointed assistant manager of Mutual Life at Birmingham, under Manager J. D. Wilcox. Mr. Bullock will supervise the field organization in North Alabama. He is a native of Kissimmee, Fla., joined the company in 1927 at Atlanta and transferred to Birmingham in 1929.

writers and is a C.L.U. He was given a medical discharge from the army last January.



DAVID W. LEE

years as agent, and the past five as assistant manager. He has a splendid record in the production of ordinary, as well as in recruiting, training, and working with new men.

He is a graduate of Baltimore Institute, and is a talented speaker. He has been serving as instructor at night school at the institute, dealing with human relations and effective speaking.

Atlantic Life has appointed L. E. Hardin district manager at Houston, Tex. He formerly represented American National, first at Amarillo, Tex., and then at Houston. The past year he has been associated with Mutual Reserve Life.

Pan-American Life Makes Ala. and Fla. Appointments

Pan-American Life has appointed Dennis E. Conniff, Jr., as general agent at Birmingham, Ala., and R. Mills McNeel, Jr., as general agent at Miami.

Columbian National Names Carr in Philadelphia

Columbian National Life announces the appointment of Clarence H. Carr, as general agent at Philadelphia. He has had over 20 years of successful life insurance experience. A native Pennsylvanian, he went to Philadelphia in 1912. After graduating from Swarthmore College in 1924, he spent 10 years in personal production and an addi-

Goes to Nashville

H. Martin Nunnelley, who has just become Nashville general agent of Mas-

sachusetts Mutual Life, has been active in the life insurance field in Birmingham, Ala., for 13 years. He has been with Massachusetts Mutual since 1941 and has been a big personal producer. At one time he was general agent of Provident Mutual Life. He served as president of both the Alabama and Birmingham Associations of Life Under-



H. M. Nunnelley

The COMMONWEALTH Commentary

Training the Trainers

One of the responsibilities of company management which is taken with more than the usual seriousness at the Commonwealth is the responsibility for training the men who, in turn, are charged with the job of training the underwriters in the field—training the trainers.

Last week, for example, all ordinary branch office managers of the company participated in a full week of intensive study of the 10-sided job of the manager. This was their mid-year planning conference and was held at the Netherland Plaza Hotel in Cincinnati.

In this way Commonwealth not only keeps abreast of the times but anticipates the trends and thus adequately prepares its men for the future. That's why Commonwealth men and women are able to realize continuous progress on a sound, planned basis.

Insurance in Force, May 31, 1945 — \$251,361,612.

COMMONWEALTH
LIFE INSURANCE COMPANY

LOUISVILLE • MORTON BOYD, President

WHERE QUALITY MEN ARE BUILDING QUALITY VOLUME

Softening Effect Seen in Sales Work

Business Is Easy to Get—Many Merely Taking Orders

Outstanding insurance executives are giving profound thought today to the probable effect of business conditions as found at present on those that will follow when more normal situations prevail and there will be stout resistance. There is much anxiety in the minds of thinking men. They realize that business is now very easy to get. More people have more money. They are increasing their insurance. They are buying protection that they did not have before. They are responding to the suggestions of producers as to an enlargement of their insurance program. They are taking on more business and personal protection.

Effect on Sales Methods

It is a fact today that, if an insurance solicitor works and makes every business day a success, his own income is greatly augmented. He does not need to depend on scientific salesmanship or even salesmanship principles of the more elementary type. The question in the minds of executives is what is the effect of such easily gotten business? Will insurance salesmen lack ability in the future to deal with difficult lines? Have they become soft? Has the easy going resulted in flabby intellectual muscles? Because they have not had to follow a course of scientific salesmanship will they be handicapped in the future because they are rusty?

Before the war successful insurance salesmen realized that they must brush up on their salesmanship procedure, modernize it, follow certain principles and courses that have been worked out by experts.

The easy going and getting situation today has not served to toughen intellectual salesmanship fiber. Producers have found it unnecessary to draw on their reserves. They can get business by very elemental and simple means. Many have become mere order takers and not salesmen. Some even disdain run of the mine business and establish a minimum below which they will suggest the prospect consult other agents.

These questions are being given serious thought by sales executives. At present there does not seem to be any way that salesmanship preparation for a more difficult day can be made. There are very few reliable sales gymnasiums and in such as exist the equipment has deteriorated. When prospects have to be sold and they are not buying former effective sales processes must be revived. The day is coming when getting business will require every resource a salesman can muster.

Eye Post War Insurance Opportunities in Far East

WASHINGTON—It is understood that Pacific Coast life insurance interests are concerned with possibilities as to the future of life insurance in China. Some of their representatives have contacted commerce department officials on this matter.

These officials are understood to decline making any predictions or blueprints as to the future of life insurance in the Orient, either with respect to sale of policies or possibility of insurance company investments in that part of the world.

They say that few things would appear to be more uncertain, at present, than the future of any line of insurance business in the Orient, particularly China, Japan, the Philippine Islands, and the East Indies.

Before the war, commerce department officials say, the British had larger in-

urance company business and investments in the Orient than the United States.

Recently, several representatives of Occidental Life of California have been in Washington on business.

Col. Plumley in Charge of Army NSLI Division

Col. H. L. Plumley, who has been third in line in the War Department contract insurance division and in charge of group life under Col. Reese

Hill, has been named to succeed Maj. H. H. Wilson in charge of the department's National Service Life division.

Maj. J. A. Hamilton succeeds Col. Plumley in charge of group. Maj. Wilson gets a special assignment in the army service forces.

Associated with Col. Plumley is Maj. Floyd R. Miller, who was associate general agent for Guarantee Mutual Life at Omaha before 1942 and more recently has been an army life insurance officer in the field.

Col. Plumley was formerly with Travelers.

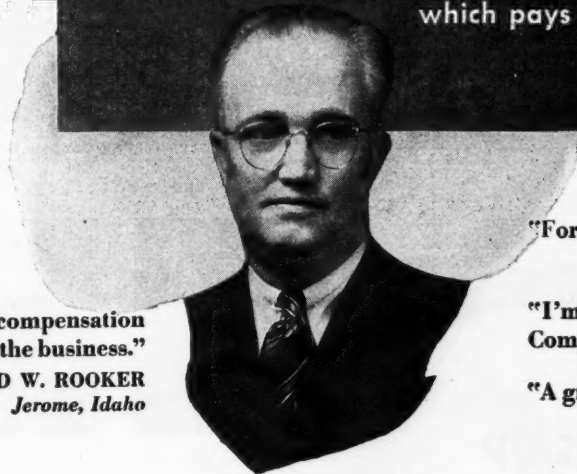
Effective Work Done by Penn Mutual Employees

Home office employees of Penn Mutual Life have presented a check for \$500 to the American Red Cross in Philadelphia, to be used to equip and furnish a sun room for wounded war veterans at the Valley Forge General Hospital. The employees conducted a three-month waste paper collection drive, bringing in waste paper from their homes, with all proceeds from the sale of the paper donated to this project.

They're Enthusiastic!

... about the MUTUAL LIFETIME COMPENSATION PLAN

which pays . . . "extra money
for doing a better job."

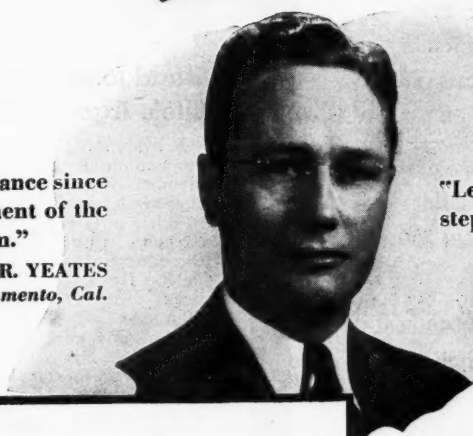


"Best compensation plan in the business."
HAROLD W. ROOKER
Jerome, Idaho

"Forecasts a new era in life insurance selling."
JOHN R. TAYLOR, New Bern, N. C.

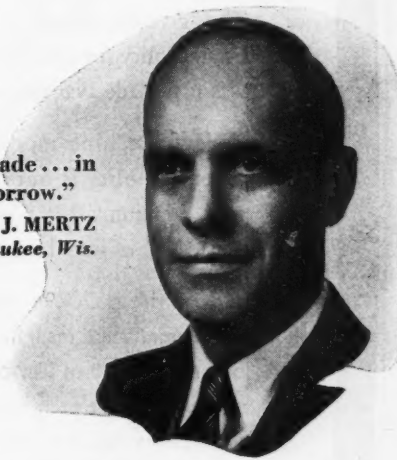
"I'm enthusiastic about the plan and the Company."
ED. F. WRIGHT, Montgomery, Ala.

"A great step forward for career underwriters."
ALFRED PUGNO, Fremont, Mich.



"Greatest advance since the development of the agency system."
LLOYD R. YEATES
Sacramento, Cal.

"Leads the parade . . . in step with tomorrow."
RAY J. MERTZ
Milwaukee, Wis.



Here's the High-Spot Story of the Mutual Lifetime Compensation Plan

- Developed to encourage field underwriting as a professional career.
- Stabilizes income, thus minimizing the effect of fluctuating volume • Pays steadily increasing income on a level volume of business. • Pays the career underwriter substantially larger commissions than ordinary contracts.

- Provides three new sources of income: Extra compensation for service to old policyholders; Extra compensation for quality of business; Generous retirement income.

That's why 90% of our men who write \$100,000 and more yearly have voluntarily chosen the Mutual Lifetime Compensation Plan.

Our 2nd Century of Service

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"First in America"



Lewis W. Douglas, President

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NEW YORK 5, N.Y.

AMONG COMPANY MEN

Seale to Manhattan as Coast Chief

Manhattan Life has appointed H. O. Seale, Jr., as Pacific Coast supervisor. He commenced his life insurance experience with Northern Life in 1927 and paid for \$310,000 during the first year. In 1928 he was made agency supervisor at Oakland; in 1929 supervisor for Oregon; supervisor for northern California in 1931.

In 1935 Mr. Seale, at his own request, made manager at Los Angeles, and was made supervisor for California in 1939.

Mr. Seale will, for the present, maintain headquarters at 215 West Fifth street, Los Angeles.

J. D. Hopkins to Bankers Life

J. D. Hopkins has been named regional group manager in the New York territory of Bankers Life of Des Moines. He has been in the insurance brokerage field at San Francisco office in group insurance activity. He has had 14 years of insurance experience.

After he received his degree of Ph. D. from Yale in 1931, Mr. Hopkins entered the life insurance field, and later served in supervisory and educational capacities.

Bourland Resigns as Mutual Life Sales Promotion Chief

Roger Bourland, director of sales promotion of Mutual Life of New York, will return to personal production in the field Oct. 1.

He will specialize in tax and business insurance work, as well as in the employee benefit plan field, and will be located at the Kasoff Agency in New York City.

A. C. Trussell, who was formerly Mr. Bourland's assistant, will resign his present post as consultant with the Sales Research Bureau to return to Mutual Life. He will



Roger Bourland

work with Mr. Bourland until Oct. 1, at which time he will succeed him. Mr. Trussell will also supervise the "employee benefit plan" business.

Fels Hecht has been promoted to supervisor of field service. He will be directly responsible for "Points," the company's field magazine, and for the publication of "Points, Jr." and other sales promotion material for use by the field force. Mr. Hecht has been with Mutual Life since 1927 and has been a member of sales promotion division since June 1, 1943.

New Official Lineup of Wisconsin Life

In the new setup of Wisconsin Life, N. J. Frey, who has been with the company since 1911 and has been president since 1922, becomes chairman.

The new president is Gordon D. Adams, who has been with Wisconsin Life since 1922, and who prior to that was a certified public accountant.

M. N. Hanson, formerly secretary, now becomes vice-president and secretary. He has



Gordon D. Adams



M. N. Hanson



N. J. Frey

been with Wisconsin Life since 1924.

Gadd Joins Provident Mutual Life's Agency Department

Provident Mutual Life announces the appointment of Wesley Gadd as a member of the agency department.

He comes from the educational field. He has been dean of men at Colorado College since 1938. His father was for many years medical director for a life company. Mr. Gadd himself studied insurance at the commerce school of the University of Pennsylvania where he received the degree of bachelor of science and economics. He spent eight years in life insurance, but left it in 1929 to head the department of insurance at Franklin & Marshall College.

He holds the degree of LL.D. His special responsibility at Provident will be a thorough-going study of mass insurance selling.



Wesley Gadd

Seth Thompson of Ore. Renamed for 4-Year Term

Governor Snell of Oregon has reappointed Commissioner Seth B. Thompson, who is now chairman of the executive committee of the National Association of Insurance Commissioners, for a four-year term beginning July 1. When the governor took office it was thought that there might be a change but Mr. Thompson was allowed to remain. His appointment was strongly supported by insurance interests in the state.

Joseph Dickman to North American as Coast Chief

North American Life of Chicago has appointed Joseph Dickman resident vice-president in charge of operations on the Pacific coast with headquarters at Los Angeles. He has been vice-president in charge of agencies of Provident Life of Bismarck.

Mr. Dickman started in the business while going to college. After six years of personal production in both the life and health and accident field, at Aberdeen, S. D., he became associated with Provident Life in 1930 as supervisor for Minnesota and North and South Dakota. In 1935, he was transferred to Seattle as northwest supervisor in charge of Washington, Oregon and Montana. He returned to the home office



Joseph Dickman



★ WE HAD HOPED THAT OUR NEW "REFRESHER TRAINING COURSE" WOULD MEET YOUR APPROVAL. BUT WE WERE NOT PREPARED FOR THE WAVE OF ENTHUSIASTIC LETTERS WHICH SO MANY OF YOU HAVE WRITTEN.

*** EDITED UNDER THE PERSONAL DIRECTION OF HILBERT RUST, C.L.U., the "Refresher Course" gives the returning veteran exactly what he needs to know to bring him up-to-date.

FIRST, it resells him upon life underwriter as a career by firmly establishing the place of the business in the future of our country.

SECOND, it discusses in detail the eight major developments or new markets.

THIRD, it gives him a definite program for getting started again in field work, his prospecting, his first calls, and so on. This is a particularly useful section.

*** PAPER QUOTAS ARE LIMITED—BINDING STOCK DIFFICULT TO SECURE. IF YOU ARE PLANNING ON USING THE NEW "REFRESHER COURSE" IN AN EXTENSIVE WAY, YOU CAN HELP US BY WIRING YOUR POSSIBLE NEEDS AS SOON AS YOU REACH A DECISION.

PAUL SPEICHER
Managing Editor
**THE INSURANCE
RESEARCH & REVIEW SERVICE**
INDIANAPOLIS

OUR BABY GROWS UP

The "Five-for-one at 21" offer in our Junior Estate policy for children up to 11 years old was first made available last October 14.

Today, just nine months later, this new Juvenile policy is our *fifth* largest seller—with premiums that average more than \$50 per \$1,000 of initial insurance.

This is the policy in which each \$1,000 of Endowment-like insurance during childhood becomes \$5,000 of low-cost Ordinary Life at age 21—without premium increase and without new evidence of insurability.

Dads like it because it protects their children's insurability. Agents like it because Dads do.

Occidental Life Insurance Company
of California

V. H. JENKINS - VICE PRESIDENT

"We pay lifetime renewals — they last as long as you do"



in 1938 as manager of agencies and was elected vice-president in 1942 and a director in 1943.

Mr. Dickman was graduated from the Sales Research Bureau school of agency management in 1932 and 1936. At present he is a member of the executive committee of the Research Bureau spring meeting group.

North American Life's California agency organization has been under the leadership of the late George W. Payne. The company has established offices in Los Angeles and San Francisco as well as other localities throughout the state.

Second Suit to Stop Tax Collection in Wis. Is Filed

MADISON, WIS.—Failure of the Wisconsin legislature to heed the advice of Commissioner Duell to revise Wisconsin insurance tax laws as embodied in bill 273-S, intended to avoid any question as to their constitutionality under the recent U. S. Supreme Court decisions, has had another repercussion. Central Life of Des Moines has filed suit in circuit court here to recover \$28,864 paid for 1944 in insurance taxes and fees which are claimed to violate interstate commerce regulations and discriminate against foreign companies as compared to domestic companies. Bankers Life of Iowa recently filed a similar suit for refund of \$35,735.

Bill 273-S, sponsored by the department to make Wisconsin laws conform to supreme court interpretation, would have imposed a flat 1½% tax on gross premiums, minus dividends, for all life, fire and casualty stock and mutual companies. After several hearings at which well organized opposition was made by fraternal, fire and casualty mutuals and others which might have come under the tax requirements, the bill was maneuvered into the senate finance committee from which it never was brought out for action, and died with numerous bills on which no action was taken when the legislature recessed June 19.

Metropolitan Makes Shifts in Michigan and Ohio

Metropolitan Life has appointed Clarence E. Snyder, formerly field training instructor in the Great Lakes territory, as manager at Hancock and its branch office at Calumet, succeeding John W. Van Allen who has been placed in charge at Port Huron, Mich., and the branch at Mt. Clemens.

Mr. Snyder, a native of Detroit, joined Metropolitan in 1922. He was made assistant manager at Superior, Wis., in 1934 and later field instructor for Great Lakes territory.

Mr. Van Allen, a native of St. Paul, was engaged in railroading until he enlisted in the navy in 1918. Later he was employed by Armour & Co. He became an agent for Metropolitan at Midway, Minn., in 1926 and was promoted to assistant manager four years later. He was appointed manager at Hancock in 1930.

William H. Goodwin, formerly manager at Portsmouth, O., has been put in charge at Marion, O., and its branch at Tiffin. He is a native Ohioan, and joined Metropolitan at Ashtabula in 1916. He became assistant manager in 1920 and six years later was made superintendent at Alliance, O. In 1929 Mr. Goodwin was appointed manager at Fairmount, W. Va., and a year later transferred to Newport, Ky. He was subsequently made manager at Portsmouth. No new appointment will be made there.

B.A.R.E. Enters Life Field with McCombs in Charge

Allan B. McCombs, associate actuary of Continental Assurance in the group

department at the home office, is resigning to join Benefit Association of Railway Employees, Chicago, about Sept. 15 as manager of a new life insurance department which is being created there. B.A.R.E. wrote life insurance up to 1918, when it retired from that field, and since then has been writing accident and health only.

It has prepared several popular policy forms such as whole life, 20-payment life and 20-year endowment, which are being submitted to insurance departments for approval. These are on the 2½% American Men table and are non-participating.

Peter Hondorp, who recently was honorably discharged from the army air forces after about three years service, has been designated to take over Mr. McCombs' actuarial duties in the group department of Continental.

Mr. McCombs is a graduate of the University of Toronto actuarial course. He came to the United States in 1937, joining Union Central Life at the home office in the claim department and later being superintendent of claims and then assistant actuary. He went with Continental Assurance in December, 1943.

Mr. Hondorp is a graduate of the University of Michigan actuarial school who was assistant actuary of Central Life of Iowa. He has seen two years

service in England as a staff sergeant with the headquarters of the 8th air force.

Some Questions Raised as to Desirability of Housing Projects as Investments

Life companies are becoming more and more interested in housing projects. In some states there is no provision in the law for companies to own such property and carry it in their portfolio. Other states have taken action giving legislative authority to companies to promote housing projects. While the larger companies have done considerable along this line, the smaller and medium sized ones believe that they should be able to engage in such activities, perhaps through a combined plan or syndicate. At least they advocate that some scheme be worked out where they can participate in such housing plans.

Some officials question the advisability of taking up housing as a good income asset at this time. They argue that there never was such a demand for apartments, houses, living quarters of all kinds. There will be tremendous competition for experts in housing all along the line. Material is lacking at this time

but when the priority system is off there will be great competition in that direction. Hence the cost of building will mount upward many points. There will be an artificial value given to all sorts of structures. This is seen by the high prices that can be obtained for houses and apartment buildings at this time. In fact, office buildings are being sold at a handsome price.

Metropolitan's Project

Some years ago Metropolitan Life fostered an important housing project in New York City which attracted wide attention. It had this work done during the depression following the former war. Prices then were low and labor was below normal. This work was of two-fold value from the standpoint of the public. First, it gave employment to a number of artisans who were seeking work. In the next place it purchased much material. Manufacturing enterprises and retailers were delighted at the amount of material that was needed. Therefore, Metropolitan was hailed as a public benefactor in time of depression. Then it had apartments to rent at a reasonable figure and made money on the enterprise. Some who are very much interested in housing projects believe that the time is not auspicious to build now when costs are high.



TOO BUSY

The widow who is too busy supporting her children to give them the loving care they need, is probably the widow of the man who was "too busy" to see our agent.

If every wife knew what every widow knows—more Prudential Family Income policies would be sold.

THE PRUDENTIAL

A MUTUAL LIFE INSURANCE COMPANY

INSURANCE COMPANY OF AMERICA

HOME OFFICE NEWARK, N. J.

EDITORIAL COMMENT

Oil Pourers or Hornet Stirrers?

New York's law which prohibits discrimination in the hiring or promotion of anyone because of race, creed, color or national origin went into effect July 1 and on that date the five-man commission against discrimination set up shop in New York City, Albany and Buffalo. How the commission administers the law will be watched with great interest by insurance companies, along with other employers, not only in New York but in other states, for there have been efforts to get similar laws enacted in other states. There has been talk of extending the federal fair employment practices act, which has been much in the news recently, to fields outside that of war material supplies but opposition from the south seems likely to block any national anti-bias act.

The manner in which New York's commission administers the Ives-Quinn act will be of the greatest importance. The law allows the commission considerable latitude. It will be within the power of these gentlemen to pour oil on troubled waters or to stir up a hornets' nest.

The act was passed despite outspoken

opposition of employer groups, including organizations representing insurance companies. It seemed as if it would stir up much more discord than it mitigated. To many it seemed like the prohibition law, noble in purpose but impractical and subject to all sorts of abuses never dreamed of by its proponents.

Probably during its initial period there will be a good many grievances that have been accumulating since before the law was passed and which those with just or fancied complaints will want corrected immediately. Some of these people will be mainly interested in trying out the commissioners to see what their attitude will be. During this time the commissioners can do much to clear the air and by an unequivocal stand on various points avert much needless palaver for the future.

Wise or unwise, the Ives-Quinn act is now in effect and must be adhered to. Employers can only hope that the commissioners will act as men of good will and good sense, not letting themselves be used by those who would create discord to serve their own ends.

Executives with Prophetic Instincts

Some executives have proved of great worth to their companies because of a prophetic instinct or ability to evaluate the trends in the business. They foresee certain results that will occur. Therefore they can begin planning for the future before the likely actual demand is upon them. For instance, some companies saw very plainly that there would be on part of the public a demand for mass insurance such as group, pension trust, juvenile insurance, salary deduction, etc.

Long before these contracts were put on sale some executives had worked out elaborate schedules and plans so that

they could be put into action at any time. These men possessed a certain vision that is highly desirable because life insurance is a business that is subject to constant change. We must expect different conditions to call for different forms of protection or revised forms.

Life insurance must still continue to meet this ever present ebb and flow or what might be called the flux of the business. It might be well for every company to have someone with a prophetic vision to become a listening post and to brighten up and strengthen his natural gift of seeing ahead.

Holding to Lofly Ideals

We have never had a more severe testing time of business character than we have undergone during the last few years. Men in the realm of business who have a regard for their reputation and who take pride in their word follow a well defined code of ethics, not because they feel compelled to but because they desire to. They realize that the man who has observed the highest principles of his calling, who does the square thing at all times with his policyholders and claimants, who endeavors in every pos-

sible way to give the finest service has his hands full and does not need to try to cut corners and take advantage of competitors.

Executives of insurance companies have just as much responsibility in this regard as insurance salesmen. It can be said and it is done so with real pride that notwithstanding the very peculiar pressure of the times insurance men have not departed very far from the straight and narrow path. They realize that it is an obligation on them to pur-

sue a course that will reflect credit on them and on the insurance industry as a whole.

The temptation comes to depart from old fashioned honesty because of the war conditions, the S.E.U.A. case, the U. S. Supreme Court decision. Insurance men could take advantage of this situation. They could do things that they did not do before and have a plausible excuse. But few have done that. They have lived up to their high principles. Insurance has but little for which to apologize. Character has been put to the supreme test.

We are not having conventions these

days when men get together, compare notes and hear criticism. Therefore insurance men in office and field are thrown on their own resources. They must establish their own way of doing things. There is always the right way. There is always the wise way. There is always the safe way. There is always the straight way. Men who have done the most to make insurance great, who have taken it to the farthest regions, who have made it one of the great benefactions, who have been proud of its history are those who have lofty ideals and are conscientious in their business processes.

PERSONAL SIDE OF THE BUSINESS

Roy B. Rummage, insurance director of Arizona, has lost no time since returning to Phoenix from the St. Paul convention of the National Association of Insurance Commissioners and he is slowly recovering from the severe cold that put him in bed there.

Robert N. Waddell, general agent of Connecticut Mutual Life, Republican nominee for mayor of Pittsburgh, will have as his Democratic opponent in the general election another insurance man, **David L. Lawrence**, president of Harris-Lawrence Co., fire and casualty agency. Mr. Lawrence is Democratic state chairman and formerly was registration commissioner, collector of internal revenue, and secretary of the commonwealth of Pennsylvania.

Paul E. Tierney, assistant auditor of John Hancock Mutual Life has been elected president of the New England chapter of the Institute of Internal Auditors.

Walter L. Carey, John Hancock Mutual Life representative at El Dorado, Kansas, who has become well known by editing an eight page monthly newspaper for El Dorado servicemen, promoted a bond buying idea during the seventh war loan drive through his newspaper. Believing that a lot of people would like to dedicate their war bond purchases to members of their families in the service, he printed facsimile signatures of all purchasers in his service newspaper. The result was that during the seventh war loan drive he sold over \$137,000 in bonds.

Ted M. Simmons, president of National Service & Appraisal Co., Chicago, was a visitor there, conferring with Harold L. Bredberg, executive vice-president. Mr. Simmons has just been discharged as a major in the army, and saw service in the European campaign. He is maintaining residence in St. Louis and continues as president of National Service & Appraisal, although less actively than before entering the service. Mr. Bredberg is in active charge.

Vice-president **F. R. Kerman** of Pacific Mutual Life has been named second vice-president of the Los Angeles Advertising Club.

It's getting to be a habit with **E. B. Stevenson**, executive vice-president of National Life & Accident to make holes in one. The most recent occurred on June 29 when, playing with G. C.

Lynch, agency vice-president; Norman Hughes, actuary, and Dr. B. F. Byrd, medical director, all of the company. Mr. Stevenson scored his ace on the 10th hole at the Belle Meade Country Club, Nashville.

He already had mounted on his desk the ball with which he scored a hole at Belle Meade in June, 1938, and on that occasion, he followed with a pair of deuces on the same hole on the next two successive rounds.

Commissioner McCormack of Tennessee, who underwent a major operation at Mayo Clinic and is now at a Rochester, Minn., hospital, continues to recover satisfactorily and is now sitting up, according to his secretary. However, the time of his return to Nashville is uncertain and his physician has prescribed ample rest and "no business of any kind." He was taken ill at the St. Paul meeting of the commissioners and was not present for his election as president of the N. A. I. C.

DEATHS

George F. Riley, 66, agent of Metropolitan Life at Cass City, Ind., for 16 years, died.

Hendrik de Hartog, 27, in the liaison branch of the United States diplomatic service and in Europe since February, died recently in Germany. Before entering the diplomatic service in January, he was a home office group representative of Aetna Life in Milwaukee.

Walter E. Schram, 73, who retired two or three years ago after having been engaged in insurance newspaper work since 1900, died after lengthy illness. His home was at Washington, N. J. He entered insurance as secretary to the president of the old Security Trust & Life of New York and then joined Spectator Publishing Co. in a statistical capacity. He went with the "Insurance Field" in 1910. He served at Louisville and Chicago. He went with the "Eastern Underwriter" in 1917 as associate editor and in 1920 went with the "Weekly Underwriter" as fire and automobile editor. He retired for a time but returned to the Eastern Underwriter in 1937 and remained until the time of his final retirement.

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Unlicensed Insurer Wins Process Case

The St. Louis court of appeals has held that a Missourian who bought insurance by mail from an unlicensed company can't get service on that company by service of process on the Missouri insurance superintendent.

Crown Life, an assessment company of Chicago, was the insurer. The policy, known as triple indemnity family group, was on the lives of four members of a family at Monticello, Mo. The application was mailed to Crown Life in care of a radio station at Carthage, Ill.

Louise Robson was one of those named in the policy. Upon her death Crown Life denied liability on the ground the circumstances of her death were such as to fall within the modified liability clause.

Crown Life alleged that it did not directly or indirectly issue policies, take risks, or transact business in Missouri; that it had never appointed the superintendent of insurance as its agent for accepting service of process; that it had no agent, office, or representative in Missouri; that the policy in question had been issued in Illinois, and was an Illinois contract; that no one acting for or on behalf of Crown Life had done any act in Missouri in regard to the procurement or issuance of the policy; and that in view of all such circumstances, the service of process upon the superintendent of insurance had not constituted service upon Crown Life.

As authority for his contention that service upon the superintendent was sufficient to confer jurisdiction over the defendants' person, plaintiff relied upon Section 6008, R. S. Mo., which provides that any insurance company not incorporated or authorized under the laws of this state, which shall directly or indirectly issue policies, take risks, or transact business in this state, failing or neglecting to file a written power of attorney as prescribed in the statute relating to process against foreign insurance companies, shall be deemed to have appointed the superintendent of insurance its true and lawful attorney for service of process in any action or proceeding growing out of such business or any such policies, and process served upon the superintendent of insurance shall be valid and legal, and of the same force and effect as personal service upon the company.

It is to be noted that the legislature, in enacting the statute, carefully limited its application to service of process in an action or proceeding growing out of a policy issued, risk taken, or business transacted "in this state," the court said. This was essential to the constitutionality of the statute, since otherwise it would have denied due process of law to the class of insurance companies affected by its provisions. In order to render a personal judgment against a foreign corporation, it is mandatory that jurisdiction over its person be acquired in a manner which constitutes due process of law; and so long as the corporation confines its operations to the state of its creation, jurisdiction to render a personal judgment against it in another state can not be acquired without its consent. But if, instead of confining its operations to the state of its creation, it proceeds to do business in another state, jurisdiction over its person may then be lawfully acquired in such other state through any valid personal or substituted service for which provision is made by the law of the state, since by engaging in business in that state, it will be thereby deemed to have given its consent for jurisdiction to be obtained over it in the courts of that state in actions or proceedings which may be brought against it growing out of the business carried on therein.

It is the settled rule that where an insurance company, acting outside the state, accepts the application of a resident of the state which is sent directly to it without the intervention of any one of its agents, and thereupon issues a pol-

icy in accordance with the application, such policy is a policy of the state in which it is issued, and the company's issuance of it under such circumstances does not constitute the doing of business in the state in which the insured resides.

In view of the facts, the only conclusion is that defendant was not doing business in Missouri; and the court was therefore right in sustaining the plea in abatement upon the ground that the service of process upon the superintendent of insurance of this state was ineffective for the purpose of subjecting defendant to the jurisdiction of the local court.

Changed Problems of Employment

In discussing selection of office personnel at the personnel conference of the American Management Association in Chicago, Miss Louise M. Newman, personnel manager of Northwestern Mutual Life emphasized the importance which tests and selection techniques have attained in recent years. While the former situation of too many applicants has been reversed during the war years, these tests can be used effectively wherever it will be necessary to cut down the clerical force as war business declines, she said.

One aspect of employment that is developing and that will give impetus to objective employment tests after the war is the increasing influence of the fair employment practices commission. Just not discriminating against the applicant is not going to be enough, she said. Employers will have to be in a position to prove that they have not discriminated. It will be necessary to develop tests for application to every type of job possible. These are a necessary under such a law as that in effect in New York. The test records on every applicant should be kept whether the applicant is rejected or hired because under any rule of law these become important evidence, including evidence of intent.

The experience of the government and employers during the war has shown the value of orienting new employees, Miss Newman said. Private business, hiring now for the long pull, can profitably incorporate an orientation program in its induction procedure. Such a program will reflect the colorful aspects of the business, its economic importance, and its place in every day living. The public relations department will figure in its planning as well as the industrial relations and operating departments. The increased value of such a program to the employee and to the company is considerable, she said.

Col. Charles Winslow Burpee, 85, historian, journalist and insurance man, died recently at Hartford Hospital. He was managing editor of the Hartford "Courant" for four years, leaving in 1904 to join Phoenix Mutual. He served for a time as editor of the "Field," company publication, and was in charge of the printing and literary department. Later he was head of the reinstatement division until his retirement in 1935. During his retirement and earlier, he wrote a number of historical works on local and state history.

Dr. William T. McKinney, 77, veteran medical examiner for Kentucky Home Mutual Life in Louisville, died there.

RECORDS

Atlantic Life—Agents participating in the May anniversary campaign paid for \$1,800,961. The top producer was G. Garland Fowler, general agent, Tabor City, N. C., with nearly \$100,000 of personal production. Other leaders were Wilmet Wright, Tabor City, and R. L. Dobie, manager at Norfolk.

Total death claim payments for the first five months amounted to \$390,374; 17% of this amount, or \$69,282, was due to war casualties.

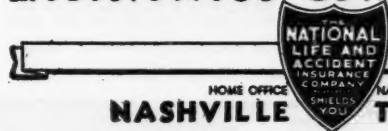
The Mighty Seventh

The Seventh War Loan is, like all previous war loans, a mighty success, with the quota oversubscribed.

And . . . in the Seventh . . . as in all the others . . . Life Insurance has played an outstanding part.



The
NATIONAL LIFE AND ACCIDENT Insurance Company, Inc.



HOME OFFICE: **NASHVILLE** NATIONAL BLDG. **TENNESSEE**

\$491,000 Subscribed to Medical Fund

PHILADELPHIA — M. A. Linton, president Provident Mutual, who is chairman of the joint committee on the proposed life insurance medical research fund, announced that during June 88 companies pledged their support. Annual contributions of these carriers would aggregate about \$491,000. Only seven companies, from whom less than \$5,500 was asked, have declined. Many companies are yet to be heard from, Mr. Linton reported.

94% of Acacia's Bonds Are in Government Category

WASHINGTON—Acacia Mutual Life announces shattering of all records for war bond purchases in the Washington area, in presentation by President William Montgomery to Undersecretary of the Treasury Bell of a check for \$17½ million, Acacia's subscription to the 7th war loan.

Acacia stated this purchase represented a \$10 million increase over its subscription to the 6th loan and brings its total holdings of government securities to 94% of its bond portfolio.

Side Agreement on N.S.L.I. Proceeds Is Held Invalid

Cases involving the validity of beneficiary designation under National Service Life Insurance are commencing to crop up. Last week and the week before THE NATIONAL UNDERWRITER reported court decisions in that area. Another case, decided by the federal court in Massachusetts, holds invalid an agreement between the named beneficiary and the insured under which a portion of the proceeds were to be given to persons ineligible to be named as NSLI beneficiaries. The case was Jones, etc., vs. U. S., et al.

George S. Jones, a soldier, carried \$10,000 NSLI, naming his brother Irving J. Jones as beneficiary. The insured asked his brother to give \$4,500 of the proceeds to Gwen Koffman, a friend, and the brother said he would do so.

Gwen Koffman sought to recover 45% of the proceeds, contending that since George instructed Irving to pay \$4,500 to Gwen Koffman, a trust of the proceeds was created for the benefit of the latter as soon as it was received by Irving.

It was the contention of Irving that Gwen Koffman is not one of a class eligible as a beneficiary of the insurance taken out as provided in the NSLI, and to allow her to establish that the trust exists for her benefit would be circumventing and contrary to the intention of Congress.

The contention made by Irving is correct, the court found. The law provides that the insurance taken out shall be payable "only to a widow, widower, child * * *, parent * * * brother or sister of the insured." Admittedly Gwen Koffman is not a member of this class.

The applicable rule is stated in Scott on Trusts, Vol. 1, Sec. 79.1 and is as follows:

"If an interest can be transferred only to members of a particular class of persons, a trust of the interest cannot be created in favor of a person not within the class."

C. L. U.

Cramer Is President of Los Angeles C. L. U. Chapter

LOS ANGELES—The Los Angeles C. L. U. chapter at its annual meeting elected these officers: President, Mervin D. Cramer, manager Bankers Life of Des Moines; vice-president, Martin I. Scott, Scott & Co.; secretary-treasurer, Walter B. Furman, Prudential; directors, Everett L. Anderson, Provident Mutual, and Horace H. Mickley, Northwestern Mutual.

Charles E. Cleeton, Occidental Life of California, retiring president, automatically becomes a member of the board.

Chapter to Incorporate

The chapter voted to incorporate. The report on the C. L. U. educational course showed that 48 candidates took sections of the course, and that it is expected six new members will be added to the chapter roll from those who took their final examinations.

Equitable C.L.U.'s Organize; Traylor Is President

The Chartered Life Underwriters' Association of Equitable Society has been organized.

Assistant Treasurer Clarence B. Metzger acted as temporary chairman for the organizing committee, the other members being Roland D. Hinkle, Chicago; Fitzhugh Traylor, Indianapolis; Lawrence C. Woods, Jr., Pittsburgh; Edward F. Bailey, Philadelphia; William J. Dunsmore, New York, and Gordon K. Smith, representing the home office.

President is Mr. Traylor, vice-president, Mr. Bailey, secretary, Mr. Smith.

At the conclusion of the meeting, President Parkinson, Vice-president Graham and Second Vice-presidents Dalager, Bushnell and Yoars congratulated the committee and newly-elected officers.

All Equitable C.L.U.'s and holders of certificates of proficiency are eligible for membership.

Equitable C.L.U.'s number 171.

Justice Detroit Speaker

C. M. Justice, vice-president of the Detroit Trust Company, will discuss taxation as related to life insurance estates at the annual meeting of the Detroit C. L. U. chapter July 11. F. M. Minninger, manager of Connecticut General, will preside.

Navy OK's Accident Cover for Air Passengers

WASHINGTON—The navy, it is announced, has approved the program to enable all passengers on naval air transport service planes throughout the world to obtain accident insurance from Indemnity of North America, serviced by Marsh & McLennan. Rates, terms and conditions are stated to be the same as will be available to passengers on army transport command planes. The insurance will be made available to anyone on a trip that originates with or continues on NATS planes.

The War Department is reported to have sent orders to its installations abroad concerning the ATC insurance program. Application forms and supplies, instructions, etc., will be distributed to ATC and NATS stations and bases at home and abroad as rapidly as possible, it is understood.

Life Managers Association, at the annual meeting. He succeeds M. R. Washer, Metropolitan Life. Vice-president is Dean H. Taylor, Equitable Society; secretary, Frank H. Dickinson, Bankers Life of Iowa; treasurer, A. L. Paine, Equitable of Iowa.

Do You Know

why brokers and surplus writers recommend the Berkshire?



For that client of yours who desires financial security and protection for both himself and his family under ONE policy—and on a low premium plan.

THE Berkshire's OPTIONAL ENDOWMENT at AGE 65

Policy combines Permanent Lifetime Insurance Protection for dependents—full Principal Sum plus Cash, payable to the Insured himself at Age 65—equivalent to 20% of the Principal Sum. • We will accept brokerage and surplus business on this unique low-cost, twofold security plan. Minimum amount: \$5000. • Disability Waiver and Double Indemnity benefits may be added for small additional premiums.

Full details covering the Berkshire's Optional Endowment at Age 65 will be gladly furnished you upon request without obligation.

Berkshire

LIFE INSURANCE COMPANY

Incorporated 1851

HARRISON L. AMBER, President

PITTSFIELD • MASSACHUSETTS



★ IF YOU ARE A FULL TIME AGENT OF ANY COMPANY, WE SOLICIT YOUR SURPLUS BUSINESS ONLY. ★

"Registered Policy Protection"

PARTICIPATING and/or NON-PARTICIPATING

Wherever insurance men foregather, argument may be heard on participating vs. non-participating policies. Over a long period they even up pretty closely, else only one type would have survived.

But certainly the salesman is fortunate who can offer the client his preference. Republic National Life salesmen have both these valuable tools.

M. ALLEN ANDERSON, 1st Vice President, Director of Agencies

Theo. P. Beasley,
President



DALLAS 8, TEXAS
HOME OFFICE

REPUBLIC NATIONAL LIFE INSURANCE CO.

MANAGERS

Tells How Policy Worked Out

Harry Griffiths, Austin, Tex., manager of American National, spoke to the Austin Life Agency Cashiers Association on the "Romance of Life Insurance." He reviewed the history of a \$2,000 20-year pay policy, which he bought when working in an insurance agency. He showed how the loan value on this policy which had accumulated enabled him after marriage to make the required down payment on his first home. The loan repaid, he was able to use it again to provide for medical and hospital expenses, then for the down payment on a second and more costly home, a vacation trip for himself and his wife, and finally the college graduation of his daughter.

Williamson Nashville Head

Robert G. Williamson, Union Central Life, was elected President of Nashville General Agents & Managers Association. Charles E. Creagh, Metropolitan, vice-president and Richard Y. Thorpe, Aetna Life, secretary. The directors are: E. H. Blair, Bankers Life; Smith Tension, Prudential and T. W. Barron, Volunteer State.

This last meeting of the year was held at the home of the retiring president, J. Hugh Knox. All members of the association, together with their wives, were guests of Mr. Knox for a picnic supper. Maj. Rutledge Smith was the guest of honor, and made the after dinner speech.

Adler Heads Buffalo Managers

David B. Adler, Massachusetts Mutual, was elected president of the Buffalo

RAINBOW'S END

Here is another of the human interest stories with which the records of the Bankers Life Company are filled—protection for the insured; in life and in death, in peace and in war, in foreign prison camp where atrocities of barbarians were of daily occurrence and in the old home in the States to which the family has once more happily returned.

On October 11, 1926, the Company issued a \$5,000 Paid-up-at-age-65 policy to a 30-year-old bank teller. Eleven years later he and his family moved to the Philippines, where he became office manager for a gold mining company.

In December, 1941, following the sneak attacks on Pearl Harbor and Manila, the insured and his family were interned in Santo Tomas prison camp. Between October 11, 1926, and October 11, 1941, the premium payments on this policy were made regularly. Thereafter the Company heard nothing from the insured.

General MacArthur returned to the Philippines in January, 1945; captured Santo Tomas prison camp and released the internees. The insured was among those freed, after 37 months imprisonment. The Japs had destroyed all his property, including his Bankers Life Policy.

In the meantime, the Bankers Life, failing to receive premium payments due, had placed the policy under extended insurance, providing temporary protection until September 8, 1951.

On April 16, 1945, the insured appeared at one of our offices and told his story. He was advised that upon affidavit of himself and his wife as to the policy loss, the Bankers Life would issue a duplicate policy.

He has more recently advised the Bankers Life that he and his family are suffering from malnutrition and are being treated by Government physicians. Pending restoration of health he is unable to work. All of his property having been destroyed by the Japs, he is not financially able to reinstate the policy. However, the Bankers Life will continue it on extended insurance until September 8, 1951; long before which time the insured hopes to apply for reinstatement and make the requisite payments.



BANKERS Life
the Double Duty Dollar Company
NEW YORK

Passaic Funeral Certificate Plan Is Being Watched

The funeral certificate plan developed by the Bank of Passaic & Trust Co. of Passaic, N. J., is a development of interest to the life insurance world partly because of what it is but mostly because of what it might become if developed to its full possibilities. Extension of the principle involved could make this type of enterprise a flourishing form of over-the-counter life insurance selling.

In its present form the way the plan works is this: A man who wants to get his funeral arrangements all settled and avoid the possibility of his bereaved relatives either splurging or skimping when it comes time to dispose of the remains goes into the bank and takes out a certificate covering the amount that the funeral is to cost and designating the undertaker who is to handle it. He may pay for it in cash but more frequently he pays about one-third down and the rest in monthly installments over the next two years. He pays no interest charge, since the money does not leave the bank's hands but he does pay the cost of the group insurance which assures that should he die before completing his payment the full face amount of the certificate will be available. There is, of course, nothing novel about this group insurance arrangements, as a great many of the banks doing a personal loan business carry it for the protection of borrowers and their co-makers.

Short Term Endowment

In effect, the portion of the certificate that is paid off in monthly installments constitutes a very short term endowment. The plan as set up by the Bank of Passaic presents no perceptible competition for regular life insurance. However, many banks throughout the country have shown interest in the plan and an organization has been set up in New York to sell the plan, which has been copyrighted, to other banks. The question that naturally occurs to a life insurance man is, What is to prevent some bank from making the down payment a very small amount and spreading the installments over a period of 10 or 20 years or even longer? If the installments were made so as to run to age 96 the certificate plan would be doing exactly what ordinary life insurance does. It would pay off the full face amount in case of death prior to age 96 and, of course, pay off in full without further payments after that age. From a financial standpoint there would be no risk for the bank. It actually lends no money and hence the usual rules of banking prudence regarding personal loans would not apply.

Anti-Selection and Rates

The risk-taker in a setup of this kind is the insurance company that supplies the group life coverage. Without some sort of selection procedure the danger of anti-selection on the part of the buyer increases. There appears to be no substantial degree of anti-selection among those who borrow from banks' personal loan departments. The temptation, however, would seem to be greater under the funeral certificate plan. A man who knows he is in poor health can, by purchasing one of these certificates on the installment plan, relieve his family of a large part of the always heavy funeral costs. The funeral certificate plan is obviously an excellent bet for the person who is in bad shape and fears he won't live until all the installments are paid off. It may be that the banks will have to endeavor to screen out the obviously moribund specimens but the plan at present does not contemplate any such selection procedure.

If there should be too much anti-selection it will, of course, be reflected in the rate charged for the group coverage. Also, the improbability of a bank's being

(CONTINUED ON PAGE 20)

1905 — 1945

CENTRAL LIFE Insurance Company of Illinois

FOUNDED 1905

Alfred MacArthur, President
211 West Wacker Drive
Chicago

January 1, 1945

★ LIFE INSURANCE IN FORCE . . . \$117,599,824.00
Total Admitted Assets . . . \$26,822,165.42
Capital . . . \$ 500,000.00
Surplus . . . 1,000,000.00
Unrealized Profits . . . 968,598.59
Surplus to Protect
Policyholders . . . 2,468,598.59

★ PAID POLICYHOLDERS AND
BENEFICIARIES SINCE
ORGANIZATION . . . \$27,073,511.75

Attractive General Agent's
contracts now being offered
for territory in the mid-west.

SECURITY

is a simple matter!

With a Bankers Mutual Life contract,
tailored to your measure. An Agent's
and Policyholder's Company "where
the Agent reigns supreme".

Bankers Mutual Life Co.
ESTABLISHED 1907
FREEPORT, ILLINOIS





Life Insurance Dollars stay in the battle until Victory is won . . . they will assist in the re-conversion program.

Beneficial Life Representatives are trained to serve the American public.

BENEFICIAL LIFE
INSURANCE COMPANY

SALT LAKE CITY, UTAH

George Albert Smith, President



Sales Aids Score BULLS-EYES!

"We're really pepped up over our 'Whistle' sales kit. After a relatively short but thoro 'field test' of the kit I find that I added over \$100,000.00 to my personal production as a direct result of using the 'Whistle folders.'"

"One of my men—a newcomer to insurance selling—studied these and our Approach Folder for 3 days, then went out and produced 3 applications for \$12,000 in his first TWO DAYS of selling."

JUNE WOOD, Agency Mgr.
Fort Worth, Texas

OUR 40TH
ANNIVERSARY
1905 - 1945

Write for Q-V-S Booklet

THE CAPITOL LIFE INSURANCE CO.

Clarence J. Daly, President
W. V. Woollen, Agency Vice President
Home Office—Denver 5, Colorado

NEWS OF LIFE ASSOCIATIONS

Ga. State Unit Flourishes; Currie Is New President

ALBANY, GA.—C. J. Currie, Atlanta, manager of Mutual Life, was elected president of the Georgia State Association of Life Underwriters at the annual meeting here. He succeeds Henry M. Powell, general agent of State Mutual Life, Atlanta. The other officers will be appointed by the president.

A preliminary feature of the meeting was a barbecue given by W. H. Holman, president of the Albany association, and the Albany delegates.

Mr. Powell, in presiding, described the past year as the best in all his experience as an insurance man.

The principal speaker was J. S. Roberts, advertising manager Retail Credit Co. He spoke on "Advertising and



C. J. Currie

Valdosta, Albany, and Rome, and the Augusta association was renewed. The Georgia membership, he said, was 358 in 1942, and at present is 612. On behalf of the N.A.L.U., Mr. Crain made presentation of a "certificate of appreciation" to Mr. Powell.

On behalf of the state association, Mr. Currie presented Mr. Powell with a check.

Albany Attorney Speaks

At the closing luncheon session H. G. Rawls, prominent Albany attorney, spoke on "Court of Public Opinion—Class of 1965." The speaker declared that public opinion would decide what fate the "class of 1965" should meet, whether it would be a battlefield or a world where problems were settled around a conference table. He stated that no people had more to do with public opinion than insurance salesmen, and visualized for them and their children a world of 1965 as free as possible from superstition, greed, and ignorance.

A decision was made at the meeting to invite non-resident insurance men to affiliate with the nearest association. The



**You Can Plan Today For
Your Production and
Home of Tomorrow**

through a

**RENEWAL
COMMISSION
LOAN**

Money for...

- PRODUCTION
- WORKING CAPITAL
- CUSTOMERS' NOTES AND ACCOUNTS
- POSTWAR OPPORTUNITIES
- EXPANSION
- HOMES, ETC.

OUR BUSINESS is loaning you money in substantial amounts . . . the one source in the U. S. that specializes and really understands your needs.

A renewal loan of \$4,500 costs you only 11 cents per day per thousand dollars.

A unique plan developed by us in cooperation with the Northwestern National Bank of Minneapolis.

**LIFE
UNDERWRITERS
CREDIT CORPORATION**

MINNEAPOLIS 2, MINNESOTA



HENRY M. POWELL

Publicity," and declared that the distribution of advertising in insurance is more extensive and more productive than is usually believed, and that agents have done as good a job if not better than any other selling force in this country during the war-time emergency.

Individualized Advertising

"Advertising in insurance is widely distributed," he said, "because it is one of the oldest businesses, and has thus been advertised over a long period of time. It is also highly individualized, so that much of the advertising is done through the mails; and cooperative advertising, though causing fewer ads, are still effective."

Mr. Roberts said that life insurance people should make sure that news concerning agents and agencies is brought before the public.

In a round table discussion led by Mr. Currie the members decided that Georgia should adhere to the type of programs advocated by the National association. Mr. Currie brought out the fact that Georgia stands higher on a percentage membership basis than any of the six Southeastern States of which he is membership chairman.

Hurd J. Crain, of Savannah, the treasurer, reported that the membership had increased 177, or 24% during the year. New associations were formed at

next annual meeting of the state association will be held at Savannah.

Cassidy Awarded Orr Trophy

H. Kenneth Cassidy, general agent of Pacific Mutual Life, was awarded the O. O. Orr Trophy in recognition of his continuous outstanding service to the San Francisco Life Underwriters Association and for his war loan activities. William E. Ward received a \$25 war bond, also contributed by Mr. Orr, retired manager of Prudential in San Francisco. In addition to the trophy, Mr. Cassidy also received a \$50 war bond.



H. K. Cassidy

In making the presentation Clifford Henderson, present manager of Prudential, representing Mr. Orr, emphasized Mr. Cassidy's public relations activities. Mr. Ward received the "runner up" award for his services as chairman of the attendance committee the past three years.

Mr. Cassidy, as national executive committeeman, presented 100% membership certificates to W. H. Dunkak, Aetna Mutual; F. C. Whatley, Aetna Life; F. J. Van Stralen, Massachusetts Mutual; R. J. Shipley, Northwestern Mutual; Mark Barichievich, Occidental Life; Kearney Walton, Phoenix Mutual; W. H. Brock, Union Central, and C. C. Morrell, West Coast Life at Eureka, Cal. His own agency also received the award.

Women Get Section Trophy

The trophy donated by President Gordon Coryell when he assumed office a year ago, to be awarded to the section of the association presenting the most interesting program of the year, was won by the women's section by popular vote. Mrs. Dorothy Marden, Equitable Society, vice-president representing the women, accepted it in behalf of the section.

R. J. Shipley was formally installed as president, with E. T. Golden, CLU, New York Life, vice-president representing the personal producers; W. H. Dunkak, vice president representing C.L.U., and H. Washington Dodge, Mutual Life, secretary-treasurer. New directors are Gilbert Ball, California-Western States Life; R. E. F. Wiedemann, Equitable Society, and Robert A. Grimes, John Hancock Mutual Life.

Prior to the luncheon the northern California caravan of the California association conducted a sales meeting which was well attended. Speakers were Mr. Golden, who also served as chairman; R. W. Benofsky, Mutual Life, Oakland; Paul E. Otey Jr., Penn Mutual Life; Samuel Taylor, tax counsel, and Herrick C. Brown, retiring president of the California association.

Hasek Tells How He Sells Cover for Wives, Children

ST. LOUIS—E. A. Hasek, Northwestern Mutual Life, Kansas City, in his talk on "Merchandising Life Insurance in Today's Market" told the Life Underwriters Association of St. Louis how he sells life insurance on the wives and children of his clients.

When he calls on a client who already has a fine line of insurance on his own life, he stresses at the outset that he doesn't intend to sell the prospect life insurance as he already has had the foresight to invest in it substantially. This places the man in a splendid mood for an opening leading to the sale of either "wife insurance" or life insurance on some of his children.

In connection with insurance on a wife, Mr. Hasek pointed out the high cost of obtaining domestic help, etc., to

care for children and to look after the other cares of a modern home. A proper valuation of these services through the years before the minor children reach their majority is a matter that should be brought to the attention of a husband and father, he said.

Lynch New President of Minnesota Association

John P. Lynch, St. Paul general agent of John Hancock Mutual Life, is the new president of the Minnesota Association of Life Underwriters. First vice-president is Robert E. Shay, Bankers Life of Iowa, Minneapolis, and secretary-treasurer, Orris Johnson, Mankato. Other vice-presidents are presidents of the various local associations, including A. L. Hiatt, Jr., Minneapolis; Norbert Winter, St. Paul; Renzie Fogelsong, Albert Lea; George Curran, Mankato; B. J. Cashman, St. Cloud, and Walter Dopke, Winona.

John J. Steger, general agent of Massachusetts Mutual, St. Paul, is the retiring president.

Laurel Miller, chairman of the membership committee, reported a sharp jump in the year, from 598 to 821, an all-time high, of which about half are in Minneapolis. The by-laws were amended to provide for a more even distribution of officers between the Twin Cities and the country districts.

New Detroit President Association Veteran

J. E. McCann, newly elected president of the Detroit Life Underwriters Association, served as director and committee chairman of the Chicago Life Underwriters Association before going to Detroit. In 1943 he was elected to the Detroit board and served as chairman of the membership committee, becoming chairman of the program committee in 1944.



J. E. McCann

He joined Metropolitan Life in Chicago in 1923 as an agent, in 1929 being appointed manager at Quincy, Ill. He later served as manager at Elkhart, Ind. and then returned to Chicago to head one of Metropolitan's agencies there. He became manager of the St. Clair district branch in Detroit in 1941.

Kroque Is New President of Washington State Unit

SEATTLE—The directors and officers of the Washington State Association of Life Underwriters held the annual meeting here with Clarence Hagstrom, Massachusetts Mutual, president, charge. He stepped up from first vice-president to president early this year when Otto Johnson of Equitable Life of Iowa accepted an appointment with the Red Cross for foreign duty.

The new president is Karl K. Kroque, Business Men's Assurance, Spokane; first vice-president, Mr. Hagstrom; second vice-president, F. Kenneth Courtney, Sun Life of Canada, Yakima; third vice-president, Charles I. Thompson, Metropolitan Life, Olympia.

The new secretary, appointed by the president, is Herman Schmidt, Equitable Life of Iowa, Spokane.

Plans were made for a training school for local association officers to be held at the end of the summer.

Help Veterans Keep N.S.L.I., Currie Urges in Birmingham

BIRMINGHAM, ALA.—The most constructive step that life salesmen can take is to help veterans hold on to their National Service Life Insurance, and

the worst thing they could do is to raid this insurance. Charles J. Currie, manager of Mutual Life, Atlanta, told the Birmingham Association of Life Underwriters.

Looking at the situation from a selfish viewpoint, Mr. Currie said insurance men and women would be inviting hostile legislation that would adversely affect the institution of life insurance if they tried to raid the N.S.L.I.

He describes government life insurance as "the best the veterans can buy." He reminded the insurance men of the vast amount of government insurance that veterans allowed to lapse after the former war and expressed fear there will

be a repetition of this if the life men "don't take a helping hand and by their knowledge, information and salesmanship persuade the men and women of the present war to keep their government life insurance."

To help veterans protect their insurance, he suggested that three months' premiums be paid out of their discharge money. He expressed hope the Veterans Administration would work out such a plan with the various branches of the armed services.

Mr. Currie estimated that 95% of the officers and enlisted personnel carry the N.S.L.I.

New officers of the Birmingham as-



"Born and Raised"
IN
MODERN SAINT PAUL

The Minnesota Mutual Life Insurance Company was "born" in the modern City of Saint Paul back in 1880.

Saint Paul has made rapid strides since then and is especially proud of its new, modern buildings.

Having been "raised" in Saint Paul, the Minnesota Mutual Life Insurance Company has kept in tempo with the city --- with its modern "agency practices" and helps to agents.



The
**MINNESOTA MUTUAL
LIFE INSURANCE
COMPANY**

ST. PAUL 1, MINNESOTA



The **COLUMBIAN NATIONAL
LIFE INSURANCE Company**
BOSTON, MASSACHUSETTS

GIVE YOUR BETTER CLIENTS A PREFERRED RISK WHOLE LIFE PLAN

— Not just an Every Day Ordinary Life Policy

— A NEW ENGLAND INSTITUTION —

least 20 years. It is written on male lives only, ages 20 to 50 inclusive, providing \$10 monthly income per \$1,000 face amount to end of 20-year period from date of issue. The minimum policy to which it may be attached is \$2,500.

Age Pre.	Age Pre.	Age Pre.	Age Pre.
20.. 5.21	28.. 5.71	36.. 7.42	44.. 12.35
21.. 5.25	29.. 5.80	37.. 7.84	45.. 13.32
22.. 5.30	30.. 5.90	38.. 8.31	46.. 14.41
23.. 5.36	31.. 6.03	39.. 8.82	47.. 15.64
24.. 5.42	32.. 6.20	40.. 9.38	48.. 17.01
25.. 5.48	33.. 6.42	41.. 10.00	49.. 18.54
26.. 5.55	34.. 6.70	42.. 10.70	50.. 20.26
27.. 5.63	35.. 7.04	43.. 11.48	

Ohio National War Restriction

Most policies issued by Ohio National Life on and after July 2 will contain no war or aviation restrictions. The company will use the war and aviation clause for only those cases where an obvious war or aviation hazard exists. For instance, policies on male lives ages 15 to 30 will still contain the clause because that group is still being inducted into service.

SALES MEETS

Business Men's Assurance Holds Denver Conference

DENVER—A two-day sales conference of Business Men's Assurance was held here with W. T. Grant, chairman, the featured speaker along with Luke J. Kavanaugh, Colorado commissioner; J. W. Saylor, director of sales and H. C. Pogue, manager of the group department, as speakers. Effective methods of selling were taken up in two round table discussion meetings.

Masterson Agency Plans Rally

The Masterson agency of Equitable Society in Newark plans to hold a three day education conference at the Pocono

Manor Inn, Pocono, Pa., Sept. 11-14. There will be morning and afternoon sessions, with recreation in the evenings. Several home office officials will be on the program.

NEW YORK

SOLDIER-AGENT RELATIONS

George P. Shoemaker, general agent for Provident Mutual at New York, has five members of his agency serving with the armed forces. He keeps in close touch with these men. Every month a round robin letter is sent to each of them containing news of the agency, the business, personal items, a copy of "Provident Notes," the company house organ, and any newspaper or magazine clippings which may interest them. All of their letters are carefully and promptly answered. In addition, the nine remaining agents in the office each write at least four letters a year to their associates who are in the service. There is a sincere attempt to maintain a personal contact with the men who are away.

Mr. Shoemaker himself keeps an active file for his absent agents, inserting in each man's folder all records of changes or adjustments. If a policy is increased the additional commission is divided and a check sent to the soldier agent for his share. Mr. Shoemaker says that a couple of his men have a particularly keen interest in keeping their business up to date and regularly advise their office from time to time of prospects or clients to be contacted. One of them forwarded to Mr. Shoemaker a list of people to whom he wanted calendars sent the first of this year.

The small effort involved in keeping in such close touch with his men will pay big dividends, Mr. Shoemaker believes. Aside from the personal interest and friendship that naturally prompts

such action, the agents' interest in the agency is maintained and kept at high pitch.

KNIGHT AGENCY OUTING

The C. B. Knight agency of Union Central held its annual outing at Bear Mountain, celebrating the successful conclusion of a May campaign in which new business was over \$1 million ahead of 1944 and delivered business over \$1,200,000 ahead.

Richard Blase received special recognition for his achievement in completing 33 applications for over \$100,000. Qualified members of two teams headed by Sig Wiltschek and Bernard Bergen also

received awards. W. F. Hanselman, vice-president and superintendent of agencies, was a guest.

ADVISORY GROUP MEETS

Six managers of Home Life of New York, constituting a standing advisory committee, met with company executives at the home office. The members of the committee are O. M. Berry, Jackson, Miss.; T. A. Dent, Jr., Philadelphia; V. W. Holleman, Washington; Lester Horton, Newark; A. R. Klein, Chicago; and A. D. Sutherland, Detroit.

The committee members were guests of J. A. Fulton, president of Home Life, at dinner.

LEGAL RESERVE FRATERALS

C.O.F. Goes to 3% Amer. Experience Reserve Basis

Catholic Order of Foresters July 1 is putting its new issue on 3% American experience reserve basis, where heretofore it has been using 3½% American experience. All the non-forfeiture values and policy proceeds left with the company at interest also go on the 3% scale. The non-forfeiture values include cash value, paid up insurance, extended insurance and cash and loan available after three years' premiums have been paid. This move has been made necessary by the continued decline in the net interest yield on investments.

The society is bringing out two new juvenile contracts, educational endowment at age 18 and 20 year endowment. Other juvenile certificates heretofore written which will be continued are endowments at 65 and 85, 25 payment life and term to age 16. All but the term have a graded death benefit from age one to nine, starting at \$200 and increasing \$100 a year until full face amount of \$1,000 per unit is payable.

Juvenile Premiums Shown

Illustrative new premium rates on the juvenile contracts at age five per \$1,000 ultimate amount are: 25 pay, \$19.53; educational endowment at 18, \$75.46; 20 year endowment, \$46.78; endowment at 65, \$14.42; endowment at 85, \$13.34; term to 16, \$3 per \$1,000 ultimate amount per year at all ages.

All these certificates in both adult and juvenile departments have been standard non-forfeiture values but contain no war or aviation clause. C. O. F. will consider issuing up to a maximum of \$1,000 on soldiers ages 16-30 but will not issue on those in naval or aviation service.

An annual dividend has been declared on all certificates equal to one monthly mortality contribution, applicable to all adult and juvenile members who have fractional paid up (N.F.C.) insurance certificates and those who carry

certificates on the extended term basis. The new 3% premium rates on the adult forms per \$1,000 are:

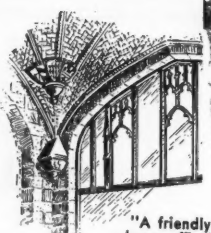
	Wh. Life	20 Pay	25 Pay	Wh. Life	Wh. Life	20 Yr.
	Life	Life	Life	Life	Life	End.
	\$	\$	\$	\$	\$	\$
16	16.63	26.60	22.46	19.50	17.54	47.46
17	16.95	26.97	22.78	20.05	17.94	47.52
18	17.27	27.33	23.11	20.64	18.36	47.57
19	17.61	27.71	23.44	21.27	18.81	47.64
20	17.97	28.11	23.79	21.96	19.27	47.71
21	18.33	28.52	24.14	22.70	19.77	47.77
22	18.72	28.94	24.51	23.48	20.30	47.85
23	19.13	29.37	24.90	24.34	20.85	47.93
24	19.56	29.83	25.30	25.26	21.44	48.01
25	20.01	30.30	25.71	26.26	22.07	48.11
26	20.48	30.78	26.14	27.36	22.75	48.21
27	20.97	31.28	26.59	28.55	23.46	48.31
28	21.50	31.82	27.05	29.86	24.23	48.42
29	22.04	32.35	27.53	31.32	25.05	48.54
30	22.62	32.92	28.04	32.92	25.93	48.67
31	23.22	33.50	28.56	34.61	26.87	48.82
32	23.85	34.11	29.11	36.50	27.88	48.97
33	24.53	34.74	29.69	38.61	28.98	49.14
34	25.24	35.38	30.29	40.97	30.17	49.32
35	25.99	36.07	30.91	43.67	31.46	49.54
36	26.78	36.78	31.58	46.75	32.87	49.78
37	27.61	37.53	32.26	50.31	34.41	50.02
38	28.49	38.31	33.00	54.45	36.08	50.30
39	29.43	39.12	33.76	59.34	37.93	50.60
40	30.42	39.97	34.58	65.21	39.97	50.94
41	31.48	40.87	35.45	72.14	42.14	51.33
42	32.60	41.81	36.38	79.24	44.54	51.75
43	33.78	42.81	37.36	86.52	47.23	52.23
44	35.05	43.85	38.39	94.07	50.24	52.75
45	36.39	44.96	39.47	101.90	53.65	53.35
46	37.85	46.14	40.60	110.02	57.46	54.01
47	39.35	47.37	41.78	118.44	61.70	54.74
48	40.97	48.70	43.01	127.17	66.38	55.55
49	42.70	50.10	44.29	136.22	71.54	56.46
50	44.54	51.58	45.62	145.60	77.18	57.46
51	46.49	53.17	47.00	155.32	83.32	58.57
52	48.54	54.86	48.43	165.39	89.97	59.80
53	50.81	56.67	49.91	175.82	97.15	61.15
54	53.19	58.61	51.44	186.62	104.88	62.65
55	55.73	60.67	53.02	197.80	113.18	64.31
56	58.44	62.90	54.65	209.37	122.06	66.14
57	61.33	65.28	56.34	221.34	131.54	68.13
58	64.42	67.85	58.08	233.72	141.73	70.36
59	67.74	70.62	59.88	246.52	152.64	72.80
60	71.27	73.61	61.73	259.75	164.28	75.47

NOT ALL OLD-FASHION THINGS ARE TABOO!

If you are an experienced producer it will interest you to investigate our "old-fashion" General Agent's Contract. With it you needn't live in a big city to build a profitable business!

Agency openings in Iowa, Nebraska, Missouri, Arkansas and Mississippi.

For further information write to
J. DeWitt Mills
Superintendent of Agents



MUTUAL SAVINGS

MISSOURI'S FIRST WHOLLY MUTUAL LEGAL RESERVE COMPANY

Life Insurance Company

812 Olive Street

Allen May, President

St. Louis 1, Missouri

A Look at the Record

For forty-four years, through wars, epidemics and depressions, the Home Life has continued its successful operations;

Every liberal practice consistent with safety of policyholders' funds has been adopted;

Insurance protection at guaranteed low cost has been provided to its policyholders;

Every eligible member of the family can secure a policy for every purse and purpose with premiums payable weekly, monthly, quarterly, semi-annually or annually to suit the policyholders' convenience.

THE HOME LIFE

INSURANCE COMPANY OF AMERICA

Executive Offices

PHILADELPHIA, PA.

President: Daniel J. Walsh

Secretary: Bernard L. Connor

Treasurer: Charles T. Chase

SECURITY AND SERVICE SINCE 1899

CHICAGO

H. A. FRANKE MAKES CHANGE

Hans A. Franke, manager of National Life & Accident's Chicago north side branch, announced his resignation. He started with National L. & A. in 1934 on a debit in Chicago and advanced to assistant manager in 1935 and to manager in 1937.

Since 1943 Mr. Franke has been in charge of the combined north and northwest side territories in Chicago. He will organize his own general agency in Chicago and plans to open offices about Sept. 1. He is a director of the Chicago Association of Life Underwriters.

ACTUARIES OUTING JULY 10

The Chicago Actuarial Club is holding its annual outing and dinner at Mt. Prospect Country Club July 10.

Milwaukee Congress Officers

MILWAUKEE—Emil W. Spranger, Modern Woodmen, has been elected president of the Milwaukee Fraternal Congress. The other new officers are Joseph Belohiavek, Western Bohemian

vice-president; O. G. Dinsmore, National Mutual Benefit, secretary; Lillian Sharen, Degree of Honor, treasurer; Malotta Belohiavak, Western Bohemian, corresponding secretary; Benjamin Rothman, Knights of Pythias, chaplain, and Philip Serio, Loyal Order of Moose, sergeant-at-arms.

P.H.C. Decides to Pay War Claims in Full

S. H. Hadley, president of Protected Home Circle, Sharon, Pa., and the other supreme officers were reelected at a one-day biennial meeting in the head office. The meeting originally was scheduled for Buffalo, N. Y., but was streamlined, confined to the home city and restricted to officers, committeemen and representatives fewer than 50 in all from out of town, in deference to the convention ban of ODT.

President Hadley reported large gains for 1943 and 1944 under war conditions in membership, insurance in force and assets. Dr. William G. McLaughry attended, after three years' absence as a captain in the army medical corps overseas. He has just returned from England and is on leave from Camp Pickett, Va.

Minor changes in by-laws were made. The supreme circle decided to pay war claims in full. Certificates contain a war clause which otherwise would reduce payment of death claims to one-fourth of face amount in case of death in military or naval service in connection with actual warfare. Directors had authorized the payment of such war claims on this basis in the past, but recommended full payment because financial soundness and legal reserves would not be affected. Only 128 members in armed forces have met death in service.

Double Indemnity Decision

The double indemnity for military death will not be paid, claims for one-fifth of the face amount for loss of an eye or dismemberment as a specific accident benefit will be paid and one-half of face amount for total and permanent disability upon surrender of policy. Directors are empowered to pay such beneficiaries the difference between the amount for which the society was liable under the war clause and the amount for which the society would have been liable in peace time. The amount to be paid out as of June 26 is \$62,743.

It was voted to have the next regular meeting in Buffalo in June, 1947, if the war is over by that time.

Woman's Benefit 1946 Meeting

Woman's Benefit of Port Huron, Mich., plans to hold its quadrennial supreme review and business meeting at New Orleans the week of Oct. 15, 1946. Pearl H. Croy, New Orleans field director, is in charge of arrangements for the hostess city.

Nelson Conducts Conference

FOND DU LAC, WIS.—E. W. Nelson, field manager of National Mutual Benefit, and Samuel Vandervort, local representative, conducted a one-day sales conference of society representatives in the Fox River valley district. Secretary R. L. Blodgett, Madison, was speaker at a dinner.

Gleaner Takes \$2 Million

Gleaner Life Insurance Society celebrated Fraternal Week by purchasing \$2 million of the 7th War loan bonds. This purchase gives the society more

Shepherd Heads Texas Association

FORT WORTH—At the conference here of the Texas Association of Life Underwriters, E. Dale Shepherd, Connecticut Mutual Life, Houston, was elected president. Vice-presidents are R. N. Lewis, Austin, Great National Life; Jack Banes, Beaumont, Southwestern Life; B. A. Barnes, Fort Worth, National Life & Accident; Tom N. Moody, San Antonio, Amicable Life, and Arch Crews, San Angelo, Paul Revere Life. Corpus Christi was selected for the next annual meeting.

The association affirmed the action of the executive committee in indorsing Jul B. Baumann, Pacific Mutual, Houston, for secretary of the National association and asked that local associations which have not yet acted on this matter do so. It was stated that among those which have already indorsed Mr. Baumann are Houston, Dallas, Fort Worth, San Antonio and Austin.

John Monroe, chairman of the committee on awards, presented the cup for outstanding association achievements to the East Texas association, Pat Russell receiving it for that association. Before presenting the cup, Mr. Monroe suggested that two awards should be made, one for the associations in the larger cities.

Law and Legislation Discussion

In the consideration of federal and state legislation, Baumann, who was in charge of the conference, asked that life men be careful in taking stands regarding court decisions and economic and social legislation. He referred briefly to the Murray-Wagner-Dingell bill as it has been revised and warned against confusing social security measures with unemployment compensation. He said any correction of the tax situation must wait until after the close of the war with Japan.

Herman Heath, member of the educational committee, speaking on "Under-

than \$4 million war bonds in its portfolio.

A.O.U.W. of Kan. Reelects Bennett, Alters Constitution

Edgar Bennett, head of A.O.U.W. of Newton, Kan., was reelected at the quadrennial grand lodge meeting held there. W. L. Duby, grand recorder pro tem for the last year, was elected to that post for a four-year term. Before entering the home office he was employed by the city schools there.

Amendments to the constitution were adopted, one stipulating that the beneficiary shall be named in the certificate and permitting a member to designate as beneficiary any person, entity, interest or his estate. Another amendment imposes on members holding paid up certificates, or certificates on extended insurance, or on automatic premium loans, or a matured certificate upon which payment of assessments was limited to a term of years or to a specified age, a per capita tax of \$3 per year to be charged annually, and if it is not paid in cash by the member to be set up against his certificate if unpaid at his death or at termination of his certificate by cash surrender or otherwise, the total amount of the tax due and unpaid is to be deducted from any benefits payable under the certificate.

A. J. Coldwell, who four years ago retired from the home office of Equitable Reserve as assistant field manager, died at the age of 77. He was born in Oconto Falls, Wis.; was sheriff and then mayor there. In 1908 he became a field representative of Fraternal Reserve, with office in Wausau, then became field manager and in 1930 when the society merged with Equitable Reserve he became assistant field manager.

writer Education and Training," said the public demands service and life insurance men must be properly prepared for the rendering of better service.

Mr. Baumann also took up local association activities in some detail with many comments from the floor in regard to programs and similar matters.

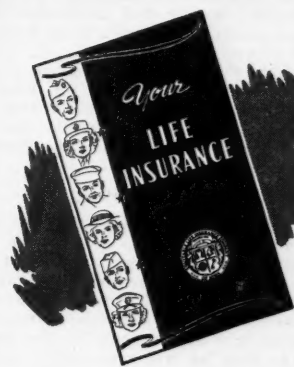
George B. Butler, life commissioner and chairman of the Texas board of insurance commissioners, reviewed briefly the matter of legislation to protect the public and the conscientious salesman who gives service against the unscrupulous salesman. He stated that during the depression crooks in the insurance field were scarce but now, since life insurance is easy to sell, the crook is at work. He said it is not always easy to detect the crook and cancel his license. When a license is cancelled, this takes away from

the man his means of earning his livelihood, but it must be done in some instances.

The final session was devoted largely to problem of securing more members among industrial agents in Texas. Various suggestions were made as to means to be employed in encouraging industrial men to come into the organization.

Howard Taylor, president of the Beaumont association, urged that there should be a qualification law for life agents. At his suggestion the association went on record as favoring such a law and the new president will appoint a committee to prepare such a law to be presented to the next Texas legislature.

E. Dale Shepherd, chairman of the membership committee, announced that the paid membership of the Texas asso-



"The new booklet, **YOUR LIFE INSURANCE**, is just what we who are now far from home want and need. Please send me 25 copies so that I can pass them on to others over here."

And so, in substance,

have read numerous letters from our men in the armed services, following their reading of the Company's 32 page booklet on National Service life insurance.

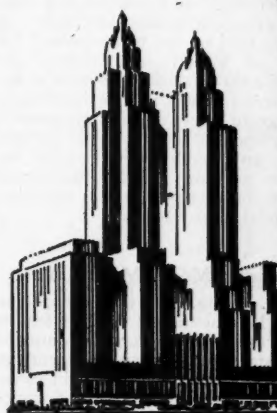
Information and advice, if sufficient and impartial, is always appreciated. That is why the life underwriter under arms, his buddies, and his loved ones at home, all regard *Your Life Insurance* so highly. It is concerned only with the serviceman's life insurance problems. It outlines clearly the unique benefits of National Service life insurance. It urges the serviceman, without exception, to retain and convert to a permanent plan his government policy, and it tells him exactly how to get that job done with a minimum of effort.

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ciation had reached 1834 and the pledged number 2,323 on June 30.

L. Mortimer Buckley, New England Mutual, Houston, spoke of the values to be derived from the organization of life insurance and trust councils.

The concluding feature was an address by John A. Witherspoon, past national president, on "Why They Buy Life Insurance."

Costigan Head of National A. & H. Association

(CONTINUED FROM PAGE 2)

interesting feature of the report of M. L. Seltzer of Des Moines on cooperation with the National Association of Life Underwriters, in which he stressed the necessity of including accident and health in any real programming of a prospect's need, was a letter from W. H. Andrews, Jr., N. A. L. U. president, heartily endorsing a program of cooperation and stating that life men should encourage and not knock the sale of accident and health, while the accident and health men should do likewise regarding life insurance.

Costigan Outlines Program

Following the installation of the new officers, President Costigan in a brief talk pledged himself to two things, a big increase in membership, stating that he would consider his administration a failure if he is not able to report 5,000 members at the end of the year, and (2) that he will visit every local association during the year, "if Uncle Sam will let me travel." He said that both his company and his sales organization know that this job will take much of his time the coming year, and that it is all right with both of them. He said the association needs the support of the companies and they need the support of the agency organization. It should be a mutual proposition.

Passaic Funeral Certificate Plan Is Being Watched

(CONTINUED FROM PAGE 13)

able to get any insurer to guarantee rates over any extended period of time would, as a practical matter, curb any tendency to stretch out the payment period to where the certificate would be comparable to an ordinary life insurance policy.

Plan Ingenious, Interesting

The certificate plan is an ingenious and interesting one. While at the moment it does not loom as a substantial competitor to regular life insurance its expansion and particularly its modifications should be watched by insurance people. It is a small step into the insurance business. In a sense it is a way of selling group insurance at retail. It seems likely that on the basis devised by the Bank of Passaic and limited to amounts of \$500 to \$1,000 the lack of selection procedure will not be important but the urge to select against an insurer is a strong one and should never be forgotten by any bank which might be tempted to go into the life insurance business on the theory that it is only doing a personal loan business.

Aring Resigns Mass. Mutual Post

Walter J. Aring, real estate superintendent of Massachusetts Mutual for 10 years, has resigned to enter the commercial real estate field in an independent capacity. He plans to operate in New England with headquarters at Springfield, Mass. Mr. Aring joined Massachusetts Mutual in 1935, organizing a department to handle the management and disposal of real estate acquired by foreclosure throughout the country.

Ohio Tax, Rating, Group Bills Die

COLUMBUS—The Ohio legislature early Saturday morning recessed until Friday of this week when final adjournment will be taken. The fire rating bill and the group life bill met the fate of scores of other bills in the final hours, no action being taken on them. The premium tax equalization bill was killed a few days before when the senate insurance committee indefinitely postponed action on it. The committee decided that inasmuch as a companion bill was tied up in the house rules committee it would be waste of time to hold further hearings on it.

The bill granting immunity to insurance company officers in the payment of taxes was also among those lost.

Welch Headliner at Taft Woody Gathering

HARRISBURG—With 50 representatives and their wives in attendance, the third anniversary of the Taft Woody agency of Equitable Society was celebrated with a luncheon meeting. Principal speaker was First Vice-President Vincent S. Welch.

Mr. Woody announced that during the past four weeks the agency produced new life insurance for a total volume of \$1,549,716 in Mr. Welch's honor.

The leading agent in applications was Benn Wolf of Lancaster, with 17 applications for \$98,127, and the leader in volume was Wm. P. Bell of State College with eight applications for \$136,000.

Franklin Life Appointments

Claude L. Freed has been appointed eastern divisional manager for Franklin Life with headquarters at Philadelphia. He was formerly with Standard Life of Pittsburgh.

Samuel F. Thompson, formerly with Prudential, has been appointed general agent at Covington, Ky., for Franklin Life.

Bankers National War Bonds

Bankers National Life has purchased a total of \$1,350,000 in bonds in the 7th war loan. A typographical error in THE NATIONAL UNDERWRITER of June 22 gave Bankers National Life's earlier subscription at \$75,000. The figure should have been \$750,000. Since that time the company has bought an additional \$600,000.

Starling Heads D. C. Group

Howard M. Starling, association of Casualty & Surety Executives representative and a leader in the District of Columbia Insurance Managers Association, has been appointed chairman of the Washington Board of Trade insurance committee.

Kentuckians Sponsor Rebstein for NALU Trustee

Paul Snyder, manager Metropolitan, Newport, was elected president of the Northern Kentucky Life Underwriters Association. J. R. Mahoney, Commonwealth Life, Covington, vice-president; A. L. Jackson, Western & Southern, Covington, secretary.

C. M. Herron, vice-president Life & Casualty, gave an address on "Greener Grass."

The candidacy of Wayman L. Dean, Life & Casualty, Jacksonville, for reelection as N. A. L. U. trustee was endorsed. The candidacy of A. J. Rebstein, New York Life, Covington, for national trustee will be promoted by the association.

Mr. Snyder started on a debit for Metropolitan in 1928 at New Philadelphia, O. He became assistant manager at Delaware, O., in 1933; home office field training instructor 1937, and manager at Newport in 1941.

B. N. Woodson, executive vice-president Commonwealth Life, will probably be the speaker at the September meeting.

Cincinnati Cashiers Elect

The Cincinnati Life Insurance Cashiers & Secretaries Association has elected Miss Mary Peters, Travelers, president; Miss Jean Naberhaus, Massachusetts Mutual, vice-president; Miss Mabel Wight, Union Central, secretary; Miss Nancy Law, Fidelity Mutual, treasurer.

Clyde Braden, former southeastern Kansas district manager of Aetna Life at Independence, has been placed on the inactive status with the rank of major after three years in the army and has returned to Independence, reopening the life department of the Humphrey Investment Co. agency there.

Harold Gore, Wichita general agent of Lincoln National Life, has received his army induction orders, thus following his predecessor, Leo R. Porter, who went into the army two years ago.

John H. Jones, Equitable Society, chairman of the fire prevention committee of the Wichita Chamber of Commerce, was master of ceremonies at the special public meeting when the grand award plaque of the National Fire Waste Council was formally presented to Wichita as winner of the 1944 Inter-Chamber Fire Waste Contest.

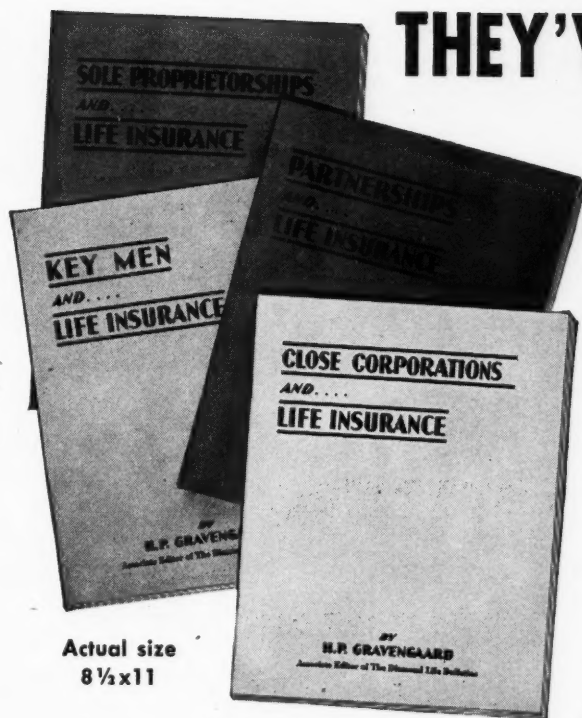
Hamner G. Freeman, 70, formerly with the firm of Walker B. Freeman & Son, for many years general agents of New York Life at Richmond, died there. His father, senior member of the firm, who was honorary commander-in-chief of the United Confederate Veterans, died a few years ago. Following dissolution of the general agency, Mr. Freeman was a time supervisor of Atlantic Agency, Inc., general agency for Virginia and District of Columbia of Atlantic Life.

DOCTOR'S ORDERS

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